Supreme Court, U. S.
FILED
MAR 10 1980
MICHAEL RODAK, JR., CLERK

79-1394

No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

SHELL OIL COMPANY,
Petitioner,

v.

UNITED STATES OF AMERICA,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

J. WALLACE ADAIR
ROBERT W. STEELE
ROBERT E. HEBDA
HOWREY & SIMON
1730 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 783-0800

Attorneys for Petitioner
Shell Oil Company

Of Counsel:

A. M. MINOTTI
SHELL OIL COMPANY
One Shell Plaza
P.O. Box 2463
Houston, Texas 77001
(713) 241-6161

March 10, 1980

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iv
OPINIONS BELOW	1
JURISDICTION	2
QUESTIONS PRESENTED	2
STATUTES AND REGULATIONS INVOLVED	4
STATEMENT	4
REASONS FOR GRANTING THE WRIT	9
I. The Judgment Below Conflicts with Principles of Statutory Construction Enunciated by this Court	10
II. The Judgment Below Conflicts with the Fundamental Principle that an Agency Is Bound by Its Published Regulations	13
III. The Judgment Below Conflicts with the Fundamental Principle that an Agency Must Rule Upon Challenges to Its Subpoenas	16
IV. The Judgment Below Wrongly Sanctioned an Agency's Use of a Subpoena for an Improper Purpose	20
V. The Judgment Below Imposed a Penalty on the Exercise of a Legal Right	21
CONCLUSION	22
APPENDIX	1a
A. *United States* v. *Exxon Corp.*, No. 80-1002, Slip Opinion (D.C. Cir. February 25, 1980)	1a
B. *United States* v. *Exxon Corp.*, No. 79-0149, Judgment (D.C. Cir. February 26, 1980)	23a

TABLE OF CONTENTS—Continued

Page

C. *United States* v. *Exxon Corp.*, No. 79-0149, Stay Order (D.C. Cir. February 29, 1980) 25a

D. *United States* v. *Shell Oil Co.*, No. 79-0150, Order (D.D.C. December 17, 1979) 27a

E. *United States* v. *Exxon Corp.*, No. 79-0149, Memorandum (D.D.C. January 14, 1980) 29a

F. *United States* v. *Exxon Corp.*, No. 79-0149, Memorandum Order (D.D.C. January 14, 1980) 37a

G. Letter, Frank Lipson to A.M. Minotti, February 2, 1979 ..... 41a

H. Subpoena, J.F. Bookout, Shell Oil Co., January 22, 1979 ..... 42a

I. Senate Debate on Title III of the Petroleum Marketing Practices Act, 124 Cong. Rec. S 7,149-7,158 (Daily ed., May 9, 1978) 47a

J. House Debate on Title III of the Petroleum Marketing Practices Act, 124 Cong. Rec. H 4,996-5,003 (Daily ed., June 6, 1978) 86a

K. *Statutes and Regulations Involved* 95a

1. Petroleum Marketing Practices Act, Section 301, 15 U.S.C. § 2841 ..... 95a

2. Petroleum Marketing Practices Act, Section 203, 15 U.S.C. § 2823 ..... 96a

3. Department of Energy Organization Act, Section 645, 42 U.S.C. § 7255 ..... 97a

4. 10 C.F.R. § 205.8 ..... 98a

5. Administrative Procedure Act, Section 552, 5 U.S.C. § 552 ..... 102a

6. Administrative Procedure Act, Section 555, 5 U.S.C. § 555 ..... 103a

TABLE OF CONTENTS—Continued

Page

L. *Delegation Orders* 104a

1. Department of Energy Delegation Order No. 0204-3 to the Administrator of the Energy Information Administration 104a

2. Energy Information Administration Delegation Order No. 5 to the Director of the Office of Competition, Office of Policy and Evaluation 105a

TABLE OF AUTHORITIES

Cases: Page

Atlantic Richfield Co. v. *FTC*, 398 F. Supp. 1 (S.D. Tex. 1975), *aff'd*, 546 F.2d 646 (5th Cir. 1977) 15
Burlington Truck Lines, Inc. v. *United States*, 371 U.S. 156 (1962) 12
Chrysler Corp. v. *Brown*, 441 U.S. 281 (1979) 12, 14
Citizens to Preserve Overton Park, Inc. v. *Volpe*, 401 U.S. 402 (1971) 12
Cudahy Packing Co. v. *Holland*, 315 U.S. 357 (1942) 16, 17, 18, 19
Deering Milliken, Inc. v. *Johnston*, 295 F.2d 856 (4th Cir. 1961) 18
Donaldson v. *United States*, 400 U.S. 517 (1971) .. 3
Elmo Division of Drive-X Co. v. *Dixon*, 121 U.S. App. D.C. 113, 348 F.2d 342 (D.C. Cir. 1965) 15
FEA v. *Algonguin SNG, Inc.*, 426 U.S. 548 (1976) .. 11
FTC v. *Atlantic Richfield Co.*, 185 U.S. App. D.C. 229, 567 F.2d 96 (D.C. Cir. 1977) 15
FTC v. *Gibson Products, Inc.*, 569 F.2d 900 (5th Cir. 1978) 15
FTC v. *Turner*, 609 F.2d 743 (5th Cir. 1980) 21
GTE Sylvania, Inc. v. *Consumers Union of the United States, Inc.*, 400 F. Supp. 848 (D.D.C. 1975), *rev'd*, 182 U.S. App. D.C. 351, 561 F.2d 349, *rehearing denied*, 184 U.S. App. D.C. 146, 565 F.2d 721 (D.C. Cir. 1977) (*per curiam*), *vacated*, 434 U.S. 1030 (1978), *on remand*, 192 U.S. App. D.C. 93, 590 F.2d 1209 (D.C. Cir. 1978), *cert. granted*, 441 U.S. 942 (1979) 13
Hannah v. *Larche*, 363 U.S. 420 (1960) 3
Marshall v. *Barlow's Inc.*, 436 U.S. 307 (1978) 18
McKart v. *United States*, 395 U.S. 185 (1969) 17
Mobil Oil Corp. v. *DOE*, 4 CCH Energy Management Rptr. ¶ 26,147 (D.D.C. 1979) 15
Myers v. *Bethlehem Shipbuilding Corp.*, 303 U.S. 41 (1938) 17
Pacific Molasses Co. v. *FTC*, 356 F.2d 386 (5th Cir. 1966) 15

TABLE OF AUTHORITIES—Continued

	Page
Preiser v. *Rodriguez*, 411 U.S. 475 (1973)	12
Reisman v. *Caplin*, 375 U.S. 440 (1964)	3
Sampson v. *Murray*, 415 U.S. 61 (1974)	17
SEC v. *Wall Street Transcript Corp.*, 422 F.2d 1371 (2d Cir. 1970), *cert. denied*, 398 U.S. 958 (1970)	14
Service v. *Dulles*, 354 U.S. 363 (1957)	15
Simpson v. *United States*, 435 U.S. 6 (1978)	12
Train v. *Colorado Public Interest Research Group, Inc.*, 426 U.S. 1 (1976), *rev'g* 507 F.2d 743 (10th Cir. 1974)	2, 11
United States v. *Bisceglia*, 420 U.S. 141 (1975)	3, 21, 22
United States v. *LaSalle National Bank*, 437 U.S. 298 (1978)	3
United States v. *Nixon*, 418 U.S. 683 (1974)	3, 14
United States v. *Powell*, 379 U.S. 48 (1964)	14, 21, 22
United States ex rel. Accardi v. *Shaughnessy*, 347 U.S. 260 (1954)	14, 15
Vitarelli v. *Seaton*, 359 U.S. 535 (1959)	3, 14, 15
Wearly v. *FTC*, 1980-1 Trade Cas. ¶ 63,175 (3d Cir. 1980), *vacating* 462 F. Supp. 589 (D.N.J. 1978)	13
Yellin v. *United States*, 374 U.S. 109 (1963)	14

Statutes:

Administrative Procedure Act	
5 U.S.C. § 552	3, 19
5 U.S.C. § 555	3, 18
Federal Trade Commission Act	
15 U.S.C. § 49	10
Federal Energy Administration Act	
15 U.S.C. § 772(e)	2
Petroleum Marketing Practices Act	
Title II, 15 U.S.C. § 2823(a)	11
Title III, 15 U.S.C. § 2841	4, 8, 10

TABLE OF AUTHORITIES—Continued

	Page
Judiciary and Judicial Procedure	
28 U.S.C. § 1254(1)	2
28 U.S.C. § 1345	2
Department of Energy Organization Act	
Section 645, 42 U.S.C. § 7255	2, 8
Rules, Regulations and Other Authority:	
Department of Energy	
10 C.F.R. § 205.8	6, 13, 14, 19
Federal Trade Commission	
16 C.F.R. §§ 1.13(d)(6), 2.7, 3.34	3
Federal Communications Commission	
47 C.F.R. § 1.334	3
Federal Rule of Appellate Procedure 41(b)	2
Federal Rule of Civil Procedure 12(b)	8
44 Fed. Reg. 3,548 (January 17, 1979)	5
124 Cong. Rec. S 7,149-7,158 (Daily ed., May 9, 1978)	4, 20
124 Cong. Rec. H 4,996-5,003 (Daily ed., June 6, 1978)	5

IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

No.

SHELL OIL COMPANY,

Petitioner,

v.

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Petitioner Shell Oil Company ("Shell") respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the District of Columbia Circuit entered on February 26, 1980.[1]

OPINIONS BELOW

The *per curiam* opinion of the Court of Appeals (the Honorable J. Skelly Wright and David L. Bazelon; the Honorable Malcolm Richard Wilkey dissenting) (1a-22a)

---

[1] This judgment was rendered in connection with one of three separate subpoena enforcement proceedings which were consolidated on appeal. Shell Oil Company, Exxon Corporation and Marathon Oil Company were appellants below.

has not yet been reported; neither has the opinion of the District Court. (29a-36a.) These opinions are set forth in the Appendix hereto.

JURISDICTION

The judgment of the Court of Appeals (23a-24a) was entered on February 26, 1980; no rehearing or rehearing *en banc* was sought. This petition for certiorari is being filed on an expedited basis in accordance with the stay to and including March 10, 1979 granted by the Court of Appeals pursuant to Rule 41(b) of the Federal Rules of Appellate Procedure. (25a-26a.)[2]

The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). Jurisdiction in the District Court was purportedly based on 28 U.S.C. § 1345, 42 U.S.C. § 7255 and 15 U.S.C. § 772(e).

QUESTIONS PRESENTED

(1) Whether a single employee of a federal agency which has been directed by statute to conduct a study based on voluntary submissions of evidence, may instead subpoena information in flagrant disregard of the plain language and legislative history of the statute. This Court in *Train* v. *Colorado Public Interest Research Group, Inc.*, 426 U.S. 1 (1976), held that the legislative history of a statute cannot be ignored.

(2) Whether a single employee of a federal agency which has explicitly made its own regulations applicable to a particular subpoena may deny that these regulations are applicable once the subpoena is challenged. This Court has ruled in numerous cases that an agency is bound by its own rules and regulations so long as they are extant and may not change them on an *ad hoc* basis to

---

[2] Because of the ambiguity in this stay order, Shell applied on March 6, 1980, to Chief Justice Burger, as Circuit Justice, for an emergency stay pending Supreme Court review. *Shell Oil Co.* v. *United States*, No. A-756.

suit its convenience in a particular case. *United States* v. *Nixon*, 418 U.S. 683 (1974); *Vitarelli* v. *Seaton*, 359 U.S. 535 (1959).

(3) Whether a federal agency can fail or refuse to enact procedures to govern the issuance of and challenges to its subpoenas. The Administrative Procedure Act, 5 U.S.C. §§ 552 and 555, (102a-103a) as interpreted and applied by this Court, requires that an agency promulgate rules of procedure and methods for obtaining decisions; this requirement has been respected by the host of agencies which have promulgated and published rules for issuing and challenging subpoenas as set forth by this Court in *Hannah* v. *Larche*, 363 U.S. 420 (1960). *See, e.g.*, 16 C.F.R. §§ 1.13(d)(6), 2.7, 3.34 (Federal Trade Commission); 47 C.F.R. § 1.334 (Federal Communications Commission).

(4) Whether an agency subpoena, which it now appears seeks data for use by other agencies in matters not related to its stated purpose, has thus been illegally issued for an improper purpose. *United States* v. *LaSalle National Bank*, 437 U.S. 298, 313-317 (1978); *Donaldson* v. *United States*, 400 U.S. 517, 533 (1971); *Reisman* v. *Caplin*, 375 U.S. 440, 449 (1964).

(5) Whether a federal agency may penalize the exercise of a legal right to contest a subpoena by refusing to grant a contesting party the same protection for confidential information as the agency has granted to parties who surrendered their right to contest the subpoena. The agency here has used its subpoena power as a lever to obtain information to which it may not be entitled, which information may then be used by other agencies in matters completely irrelevant to the stated purpose of the subpoena. Numerous decisions of this Court hold that the exercise of a legal right cannot be penalized, and that a subpoena cannot be used for harassment or in bad faith. *United States* v. *Bisceglia*, 420 U.S. 141 (1975).

STATUTES AND REGULATIONS INVOLVED

The following statutes and regulations are set forth in pertinent part in the Appendix hereto: Petroleum Marketing Practices Act (95a-97a); Department of Energy Organization Act (97a-98a); Administrative Procedure Act (102a-103a); and Code of Federal Regulations (98a-101a).

STATEMENT

As enacted on June 19, 1978, Title III of the Petroleum Marketing Practices Act ("PMPA") required the Department of Energy ("DOE") to study subsidization [3] by "afford[ing] interested persons an opportunity to present written and oral data" and to submit, within 18 months, a report which could form the basis for possible legislative or executive action. 15 U.S.C. § 2841. (95a-96a.)

The legislative history of Title III confirms Congress' explicit intention that DOE not obtain information by compulsory process, but instead rely on the voluntary cooperation of interested parties.[4] 124 Cong. Rec. S 7,153 col. 2 (Daily ed., May 9, 1978). (65a.) Senator Bumpers, the sponsor of Title III, repeatedly made the uncontradicted statement in the course of debate that DOE would not have subpoena power to conduct the Title III Study. 124 Cong. Rec. S 7,155 col. 2-3 (Daily ed., May 9, 1978). (75a-76a.) Indeed, the Senate recognized that if DOE became embroiled in subpoena enforcement controversy, it could not meet the 18-month deadline for completing the Title III Study. 124 Cong. Rec. S 7,153 col. 2-3 (65a-66a), S 7,154 col. 3 (Daily ed., May 9, 1978). (72a.)

---

[3] "Subsidization" is the alleged practice by which vertically integrated oil companies "subsidize" their retail operations with profits from other parts of their business.

[4] For the convenience of the Court, the Senate and House debates on Title III are set forth in the Appendix hereto. (47a-94a.)

At the time Title III was enacted, this view was shared by DOE, the Department of Justice and the Energy Information Administration. 124 Cong. Rec. S 7,154 col. 2 (Daily ed., May 9, 1978) (70a-71a); 124 Cong. Rec. H 5002 col. 2-3 (Daily ed., June 6, 1978). (92a.)

Despite the 18-month statutory deadline, DOE proceeded at a leisurely pace.[5] Four months passed before DOE staffed an office to conduct the Study. Three more months passed before DOE published a "Study Plan," which contemplated, contrary to express Congressional directive, serving subpoenas on nine oil companies. 44 Fed. Reg. 3,548, 3,552 col. 1 (January 17, 1979).

On January 28, 1979, Shell received a subpoena (the "Title III Subpoena") signed by William C. Lane (Director of the Office of Competition of the Office of Policy and Evaluation of DOE). (42a-46a.) Mr. Lane purported to act on the basis of two unpublished delegations of authority (104a-105a, 106a-107a) which required him to "be governed by the rules and regulations of the Department of Energy and the policies and procedures prescribed by the Secretary * * *." (104a, 106a.)

The Title III Subpoena, returnable on March 2, 1979, stated on its face that its purpose was solely "to provide information for use in the preparation of a study required by Title III of the Petroleum Marketing Practices Act." (42a.) Nonetheless, it was egregiously overbroad and sought information far beyond that necessary for a study of "subsidization." In only twelve specifications, Mr. Lane would require Shell to spend over 3,700 man hours to search for documents, not including the clerical time involved in copying, collating and shipping the documents.

---

[5] As the Court of Appeals acknowledged, Shell has not been responsible for any delay in this matter, and in fact Shell has been very cooperative in expediting the proceeding. Without any congressional approval, Mr. Lane has twice granted himself extensions of time in which to submit the Title III Study.

Mr. Lane would require Shell to review over 1.3 million document pages, and to disrupt its orderly processing of documents for production in the course of pending litigation between Shell and the Federal Trade Commission.

The materials requested by the Title III Subpoena included highly confidential current planning and marketing documents and other proprietary information which, if disclosed, would severely and irreparably injure Shell's competitive position.

Shell immediately contacted DOE to determine the authority on which Mr. Lane purported to base the Title III Subpoena and the procedures by which Shell could respond to it. On February 2, 1979, Shell was advised of his position that the only regulations which DOE had adopted for the issuance, interpretation and enforcement of subpoenas, 10 C.F.R. § 205.8 (98a-101a), did not apply to the Title III Subpoena, and that no DOE regulations allowed Shell to file a motion to quash or applied to the Title III Subpoena in any way whatsoever. (41a.)

Beginning on May 14, 1979, Shell voluntarily furnished DOE a large quantity of materials for DOE's use in the Title III Study and emphasized that Shell was gathering and would furnish additional materials as they became available.[6] Concurrently, Shell filed—in accordance with 10 C.F.R. § 205.8—an Application to Quash the Title III Subpoena, which challenged DOE's failure to safeguard Shell's confidential data, the extremely broad scope of the subpoena, the deprivation of Shell's legally recognized attorney-client and other privileges, the impropriety of the return procedures, and many other matters.

---

[6] Despite the pendency of this litigation, Shell has continued to provide data on Shell's operations for DOE's use in the Title III Study. For example, Shell has submitted DOE Form EIA-148 ("Retail Motor Gasoline Cost and Revenue") and DOE Form EIA-151 ("Refiners and Wholesalers Gasoline Prices and Sales").

Without responding to Shell's numerous offers of voluntary cooperation, and without ruling on Shell's application to quash, DOE filed a petition on June 29, 1979 to enforce the Title III Subpoena.[7] In the course of this proceeding, DOE has repeatedly argued that Shell has no right to raise in district court the issues set forth in Shell's application to quash the Title III Subpoena, even though no one at the agency has ever ruled on Shell's application and no one at the agency but Mr. Lane has ever reviewed the subpoena.

In the meantime, and despite the vigorous protestations of the Department of Justice and Federal Trade Commission, DOE entered into agreements with the six companies which chose to supply documents voluntarily rather than to comply with the Title III Subpoena. These agreements limited substantially the scope of the Title III Subpoena and imposed very strict assurances of the confidentiality and proper use of the materials which the companies provided. In general, the documents could be used *only* for purposes of the Title III Study; extremely confidential documents could be inspected by DOE but not copied; and DOE would have no discretion to disclose confidential company documents in response to a Freedom of Information Act Request or otherwise.

Once DOE was involved in litigation, it refused to offer Shell these limitations on the scope of the subpoena and likewise refused to provide Shell the same assurances of confidentiality. Instead, DOE has insisted that all Shell documents be available for any purpose whatsoever to the Department of Justice, Federal Trade Commission, and to other as yet unspecified government agencies.

---

[7] DOE concurrently filed an enforcement petition against Exxon Corporation; over three months later, on October 10, 1979, DOE filed an enforcement petition against Marathon Oil Company.

The district court issued an order on December 17, 1979, without opinion, directing Shell to comply with the subpoena and to produce to DOE the most confidential information on Shell's business practices, without the benefit of any protective order to prevent its disclosure. (27a-28a.) The court did not expressly rule either on Shell's motion to dismiss or on Shell's request for the taking of evidence. Nor did the court provide Shell with the opportunity to file an answer and/or counterclaim to DOE's petition as required by Rule 12(b) of the Federal Rules of Civil Procedure.

On January 14, 1980, after Shell had noticed its appeal and some five months after the case was fully submitted, the district court issued a 6½ page memorandum in which it held that DOE was statutorily authorized to issue the Title III Subpoena pursuant to the Department of Energy Organization Act and that Shell must comply.[8] (29a-36a.)

The Court of Appeals, in affirming the district court enforcement of the Title III Subpoena, held that DOE could circumvent the clear Congressional intent on how to conduct the Title III Study by relying on its general subpoena power under Section 645 of the Department of Energy Organization Act, 42 U.S.C. § 7255. (97a-98a.) Moreover, the Court of Appeals approved a protective order (16a-20a) which admittedly differed in material respects from that which DOE had voluntarily entered with six other companies, in that the scope of the Title III Subpoena was not limited to the subject of "subsidization" and all the materials which Shell furnished would be available to as yet unidentified agencies for purposes totally unrelated to Title III of PMPA. (15a n.8.)

---

[8] Shell's motions for a stay pending further review were granted by the district court (January 14, 1980) (37a-40a) and the Court of Appeals (February 29, 1980). (25a-26a.) DOE's motion to vacate the district court stay was not granted.

The Honorable Malcolm Richard Wilkey dissented from the Wright-Bazelon *per curiam* opinion on the grounds that: (a) DOE's subpoena power under Title III can derive only from Title III itself, the language of which is silent on subpoena power, and the legislative history of which demonstrates congressional intent that DOE have no subpoena power for the Title III Study; (b) the general grant of subpoena power to DOE in the DOEOA cannot provide subpoena power for an agency function which, like the Title III Study, stands outside and was mandated subsequent to the general act; and (c) the Title III Subpoena was too broad and burdensome to meet the demands of legitimate purpose and relevancy. (22a.)

REASONS FOR GRANTING THE WRIT

The decision of the Court of Appeals (1a-22a) presents critical and important questions far beyond the particular parties, statutes and regulations involved. This is especially true since the Court of Appeals decision sharply conflicts with decisions of this Court, as well as with decisions of other courts of appeals.

Since this decision involves the subpoena power, a power frequently recognized by this Court as "capable of oppressive use", it is of wide-spread importance. Agencies and the courts alike are faced with challenges to agency subpoenas on a regular basis. The instant precedent, if it is allowed to stand, will have a sweeping effect on federal agencies by allowing them to infer and imply their own subpoena powers even when Congress has specifically stated that such a power is not to be utilized; by allowing them to ignore their own published rules pertaining to challenges to subpoenas; and by allowing them to proceed without any rules whatsoever in regard to subpoenas. According to the Court of Appeals, it is not even necessary for an agency to rule on a citizen's

motion to quash a subpoena; the agency and its employees may simply ignore the motion. This deleterious precedent, when coupled with the court's further holding that the agency may seek overly broad materials (pertaining to other agencies' enforcement duties) to coerce a citizen into surrendering his subpoena challenge rights cannot help but erode the due process protection accorded the citizen under existing federal agency practices. For all of these reasons it is critical that this Court resolve these questions at this time.

I. THE JUDGMENT BELOW CONFLICTS WITH PRINCIPLES OF STATUTORY CONSTRUCTION ENUNCIATED BY THIS COURT

The rule of statutory construction adopted by the Court of Appeals—that the express words of a statute and the record statements of its sponsor and other legislators may be ignored in favor of what hypothetically "Congress may reasonably have understood," Slip Op. at 9 (9a)—will allow agencies to subvert clear congressional intent at the slightest whim of a single agency employee.

The Wright-Bazelon opinion ignores the express language of Title III which mandated that DOE use voluntary submissions to conduct the Title III Study. The Petroleum Marketing Practices Act states:

> In conducting the study required by this section, the Secretary shall give appropriate notice and afford interested persons an opportunity to present written and oral data, views and agreements concerning such study. 15 U.S.C. § 2841(c). (95a.)

The Congressional intent that DOE secure information for the Title III Study by voluntary means is further manifested by comparing Title II of PMPA with Title III. Despite the fact that the Federal Trade Commission ("FTC") has subpoena power under the Federal Trade Commission Act, 15 U.S.C. § 49, which is at least as

broad as that of DOE, Congress explicitly granted the FTC subpoena power to carry out the program of gasoline octane posting established under Title II of PMPA. 15 U.S.C. § 2823(a). (96a-97a.)

Thus, Congress, when enacting the Petroleum Marketing Practices Act, could not have been clearer as to what agencies should have subpoena power under what circumstances. It is incredible for Judges Wright and Bazelon to suggest that the statute is "silent" on this subject. (22a.)

Likewise, the Wright-Bazelon opinion suggests "confusion" in the legislative history and ignores the clear view of the sponsor of Title III.[9] As Circuit Judge Wilkey accurately observed:

> There is admittedly not one word in the legislative history implying that there is such a power, and there are words from two of the legislators most active on this statute saying flatly that no subpoena power exists for the Title III Study, a repeated assertion which was repeatedly uncontradicted. (22a.)

Since the Court of Appeals ignored the legislative history of PMPA, it disobeyed this Court's admonition in *Train* v. *Colorado Public Interest Research Group, Inc.*, 426 U.S. 1, 9-10 (1976), *rev'g* 507 F.2d 743 (10th Cir. 1974), that "to the extent that the Court of Appeals excluded reference to the legislative history * * * in discerning its meaning, the court was in error." And the refusal of the Court of Appeals to give any weight to the statements of the sponsor of PMPA is directly contrary to *FEA* v. *Algonquin SNG, Inc.*, 426 U.S. 548 (1976),

---

[9] The Wright-Bazelon discussion of the legislative history is a classic exercise in speculation. There is not a single citation to any statement of any sponsor of Title III to support this conjecture about what Congress might have intended.

where this Court held that the views of a sponsor are entitled to great weight.[10]

The Wright-Bazelon opinion also wrongly characterizes PMPA as a "repeal * * * by implication" of the DOEOA, when in fact PMPA in no way repeals DOEOA or any other law by implication or otherwise. (10a.) Rather, PMPA stands separate and apart from DOEOA and other laws, as a subsequent expression of Congressional intent directed specifically at one area, a particular study of "subsidization" mandated by Congress. Thus, to the extent that the Court of Appeals ignored the specific provisions of PMPA and turned instead to the DOEOA to sustain the Title III Subpoena, it ignored the rule of statutory construction articulated by this Court, in *Simpson* v. *United States*, 435 U.S. 6, 15 (1978): "where a general statute and a specific statute speak to the same concern," the specific takes precedence.[11] *See Prieser* v. *Rodriguez*, 411 U.S. 475 (1973).

---

[10] The Court of Appeals' reliance on *Chrysler Corp.* v. *Brown*, 441 U.S. 281, 311 (1979), is misplaced. (8a.) In *Chrysler*, this Court held that the views of a sponsor had to be considered in the context of the legislative debates in their entirety, and would not be conclusive if contradicted by the statements of other legislators. In the present case, the sponsor of Title III and *all* legislators who spoke on the subject noted that DOE was not to have subpoena power to conduct the Title III Study.

[11] To the extent that the courts below accepted the belated statements of the United States Attorney that DOE meant to issue the Title III Subpoena in order to fulfill its responsibilities under the DOEOA, they disregarded the teachings of this Court to the effect that such statements are "merely 'post hoc' rationalizations, which have traditionally been found to be an inadequate basis for review." *Citizens to Preserve Overton Park, Inc.* v. *Volpe*, 401 U.S. 402, 419 (1971) (citation omitted); *Burlington Truck Lines, Inc.* v. *United States*, 371 U.S. 156, 168-169 (1962). In the instant case, the subpoena itself states that it was issued solely for purposes of Title III. (42a.) Under such circumstances, the Court of Appeals could hardly find that the agency was acting spontaneously to perform a project under DOEOA.

II. THE JUDGMENT BELOW CONFLICTS WITH THE FUNDAMENTAL PRINCIPLE THAT AN AGENCY IS BOUND BY ITS PUBLISHED REGULATIONS

The Court of Appeals decision will govern the issuance and enforcement of subpoenas issued by all federal agencies, since so many agency subpoenas are the subject of enforcement in the District of Columbia Circuit. The Wright-Bazelon opinion below that an agency can ignore its existing rules, and indeed need not enact any rules by which a citizen can challenge an agency subpoena, will thus have virtually a nationwide effect, even though it is not followed by other circuits.[12]

The DOE rule in effect at the time the Title III Subpoena was issued provided that "[a]ny person to whom a subpoena is directed may * * * apply to quash or modify such subpoenas * * *." 10 C.F.R. § 205.8(h)(1). (100a.) The regulation goes on to set forth a procedure wherein agency personnel at three levels will review a challenged DOE subpoena.

The judgment below condones DOE's deliberate failure to follow its own published rules governing motions to

---

[12] A good example of agency preference for the District of Columbia Circuit is *GTE Sylvania, Inc.* v. *Consumers Union of the United States, Inc.*, 400 F. Supp. 848 (D.D.C. 1975), *rev'd*, 182 U.S. App. D.C. 351, 561 F.2d 349, *rehearing denied*, 184 U.S. App. D.C. 146, 565 F.2d 721 (D.C. Cir. 1977) (*per curiam*), *vacated*, 434 U.S. 1030 (1978), *on remand*, 192 U.S. App. D.C. 93, 590 F.2d 1209 (D.C. Cir. 1978), *cert. granted*, 441 U.S. 942 (1979).

Likewise in *Wearly* v. *FTC*, 1980-1 Trade Cas. ¶ 63,175 (3d Cir. 1980), *vacating* 462 F. Supp. 589 (D.N.J. 1978), the recipient of an FTC subpoena sought declaratory relief in New Jersey, where it conducted business and where the subpoenaed documents were located. The FTC countered by filing an enforcement action in the District of Columbia, which was eventually vacated but only after the FTC's enforcement petition had been granted and the FTC had moved for contempt. The Third Circuit held, however, that the New Jersey District Court had no pre-enforcement jurisdiction and, thus, that the agency was entitled to its choice of forum, *i.e.*, the District of Columbia.

quash subpoenas, 10 C.F.R. § 205.8 (98a-101a), which is in direct conflict with the numerous decisions of this Court holding that an agency is bound by the rules which it promulgates. *United States* v. *Nixon*, 418 U.S. 683 (1974); *Vitarelli* v. *Seaton*, 359 U.S. 535 (1959); *United States ex rel. Accardi* v. *Shaughnessy*, 347 U.S. 260 (1954). As this Court stated in *Nixon*:

> So long as this regulation is extant it has the force of law. In [*Accardi*], 347 U.S. 260 (1954), regulations of the Attorney General delegated certain of his discretionary powers to the Board of Immigration Appeals and required that Board to exercise its own discretion on appeals in deportation cases. The Court held that so long as the Attorney General's regulations remained operative, he denied himself the authority to exercise the discretion delegated to the Board even though the original authority was his and he could reassert it by amending the regulations. *Service* v. *Dulles*, 354 U.S. 363, 388 (1957), and *Vitarelli* v. *Seaton*, 359 U.S. 535 (1959), reaffirmed the basic holding of *Accardi*. 418 U.S. at 695-696.

In fact, as this Court recently held in *Chrysler Corp.* v. *Brown*, 441 U.S. 281, 295 (1979), "agency regulations have the 'force and effect of law.'" (Citations omitted.)

Accordingly, this Court and other circuits have held that an agency must establish that the required administrative steps have been followed before a court orders enforcement of an agency subpoena. *SEC* v. *Wall Street Transcript Corp.*, 422 F.2d 1371, 1375 (2d Cir. 1970), *cert. denied*, 398 U.S. 958 (1970). *See United States* v. *Powell*, 379 U.S. 48, 57-58 (1964). Once an agency has promulgated rules, the agency cannot fail to comply with them; such a violation results in a deprivation of due process of law. *See Yellin* v. *United States*, 374 U.S. 109

(1963) (a subpoena not issued in compliance with applicable procedural rules is invalid); *Vitarelli* v. *Seaton*, 359 U.S. 535 (1959); *Service* v. *Dulles*, 354 U.S. 363 (1957); *United States ex rel. Accardi* v. *Shaughnessy*, 347 U.S. 260 (1954); *FTC* v. *Gibson Products, Inc.*, 569 F.2d 900, 904 (5th Cir. 1978) ("This Court, of course, will not aid in enforcing a subpoena if the Commission did not adhere to its rules governing the use of such discovery tools."); *Pacific Molasses Co.* v. *FTC*, 356 F.2d 386, 389-390 (5th Cir. 1966); *Elmo Division of Drive-X Co.* v. *Dixon*, 121 U.S. App. D.C. 113, 117 n.5, 348 F.2d 342, 346 n.5 (D.C. Cir. 1965); *Atlantic Richfield Co.* v. *FTC*, 398 F. Supp. 1, 12 (S.D. Tex. 1975), *aff'd*, 546 F.2d 646 (5th Cir. 1977); *Mobil Oil Corp.* v. *DOE*, 4 CCH Energy Management Rptr. ¶ 26,147 (D.D.C. 1979).

Since DOE has ignored or violated its own rules, any action taken as a result, including the enforcement proceeding in the court below, should not be allowed to stand. *Pacific Molasses Co.* v. *FTC*, 356 F.2d 386, 390 (5th Cir. 1966). Indeed, the Wright-Bazelon opinion erroneously assumes that the agency rules have been construed by the agency not to apply to the Title III Subpoena, stating that "an agency is entitled to very broad deference when it construes its own regulations." Slip Op. at 12. (12a.) The error in this statement is particularly egregious, since the agency *never* construed its own regulations.[13] Indeed, this whole issue hinges upon the fact that the agency refused to construe this regulation by ruling on Shell's application to quash.[14]

---

[13] The only *agency* action in this litigation is the delegation of authority to Mr. Lane, which delegation expressly adopted DOE's rules and regulations. (104a-105a, 106a-107a.)

[14] This failure to act is directly contrary to the decision in *FTC* v. *Atlantic Richfield Co.*, 185 U.S. App. D.C. 229, 567 F.2d 96 (D.C. Cir. 1977), which requires an agency to construe its own rules.

The Wright-Bazelon opinion (1a-22a) would thus allow an agency simply to ignore its own rules in subpoena enforcement proceedings whenever it suits the agency's convenience. Federal agencies with subpoena power, such as the Federal Trade Commission and Federal Communications Commission, which now have rules for the resolution of subpoena challenges, can be expected to abandon them. At issue is not only the sanctity heretofore accorded agency rules, but also the scrupulous agency adherence to procedural safeguards which this Court has repeatedly emphasized are necessary in the exercise of the subpoena power, a power "capable of oppressive use." *Cudahy Packing Co.* v. *Holland*, 315 U.S. 357, 363 (1942).

III. THE JUDGMENT BELOW CONFLICTS WITH THE FUNDAMENTAL PRINCIPLE THAT AN AGENCY MUST RULE UPON CHALLENGES TO ITS SUBPOENAS

The judgment below approves DOE's abdication of its responsibility to determine subpoena enforcement matters, and has the far-reaching effect of allowing an agency to delegate to a single employee the authority to issue a subpoena which cannot be challenged on any grounds whatsoever at the agency level.[15]

The Court of Appeals held that neither the Administrative Procedure Act nor general principles of due process require an agency to adopt regulations governing challenges to a subpoena, nor require an agency to conduct an inquiry, apart from its rules, into the bona fides of a citizen's objections to a subpoena.[16] Slip Op. at 12-13.

---

[15] DOE further argued below that Mr. Lane's subpoenas should be "self-enforcing," presumably so that the citizen will not even be entitled to a cursory review by the judicial system when he is summoned—by mail—to appear and produce hundreds of thousands of documents, thousands of miles from his office.

[16] Instead, the Court of Appeals disingenuously suggested that "the District Court [rather than the agency] can inquire into all relevant matters," Slip Op. at 13. (13a.) This is contrary to the

(12a-13a.) .This precedent is thus in direct conflict with a long line of decisions of this Court holding that an agency may not delegate its entire discretionary authority in subpoena matters to an employee.

In *Cudahy Packing Co.* v. *Holland*, 315 U.S. 357 (1942), this Court held that the Administrator of the Department of Labor could not delegate his power to sign and issue subpoenas to a Regional Director and emphasized the stringent safeguards which should be placed upon the exercise of the subpoena power:

> Unlimited authority of an administrative officer to delegate the exercise of the subpoena power is not lightly to be inferred. It is a power capable of oppressive use, especially when it may be indiscriminately delegated and the subpoena is not returnable before a judicial officer. Under the present Act, the subpoena may, as in this case, be used to compel production at a distant place of practically all of the books and records of a manufacturing business, covering considerable periods of time. True, there can be no penalty incurred for contempt before there is a judicial order of enforcement. But the subpoena is in form an official command, and even though improvidently issued it has some coercive tendency, either because of ignorance of their rights on the part of those whom it purports to command or their natural respect for what appears to be an official command, or because of their reluctance to test the subpoena's validity by litigation. All these are cogent reasons for inferring an intention of Congress not to give unrestricted authority to delegate the subpoena power which it has in terms granted only to the responsible head of the agency. 315 U.S. at 363-364.

---

requirement that a litigant must exhaust administrative remedies before seeking judicial review, and that only final agency action can be judicially enforced. *Sampson* v. *Murray*, 415 U.S. 61, 74 (1974); *McKart* v. *United States*, 395 U.S. 185 (1969); *Myers* v. *Bethlehem Shipbuilding Corp.*, 303 U.S. 41 (1938).

More recently, in *Marshall* v. *Barlow's, Inc.*, 436 U.S. 307, 323 (1978), this Court reemphasized that "unbridled discretion [exercised by] administrative officers, particularly those in the field, as to *when to search* and *whom to search*" deprives the target of the search of its constitutional right to have "assurances from a neutral officer that the inspection is reasonable." (Emphasis supplied.) The approval by a neutral officer, according to the Court in *Barlow's* is an "important functio[n]" under the Fourth Amendment. 436 U.S. at 323-324. This principle is thrown to the winds by the Wright-Bazelon opinion that neither DOE nor any administrative agency need review a subpoena issued and enforced at the whim of a single subordinate employee.

Similarly, Section 555 of the Administrative Procedure Act provides that any interested citizen must have the opportunity to:

> appear before an agency * * * for the presentation, adjustment, or determination of an issue, request, or controversy in a proceeding, whether interlocutory, summary or otherwise, or in connection with an agency function. 5 U.S.C. § 555(b). (103a.)

Clearly, the Wright-Bazelon opinion conflicts with that of the Fourth Circuit in *Deering Milliken, Inc.* v. *Johnston*, 295 F.2d 856 (4th Cir. 1961), where an agency was held to be under an obligation to act pursuant to this provision.

The Court of Appeals suggests no reason for allowing DOE to abdicate its responsibility of ruling on the objections to the subpoena except to note that a district court "can inquire into all relevant matters, unlimited by the scope of the agency's own inquiry, if any." Slip. Op. at 13. (13a.) Of course, this is the argument rejected by this Court in *Cudahy Packing Co.* v. *Holland*, 315 U.S. 357 (1942).

Nonetheless, the Wright-Bazelon opinion seems to treat the resolution of subpoena challenges as a trivial agency function which does not even require the adoption of formal rules. In fact, subpoena proceedings are a vital part of an agency's duties, and they should be closely monitored and regulated as this Court made clear in *Cudahy Packing Co.* v. *Holland*, 315 U.S. 357 (1942). Indeed, Section 552 of the Administrative Procedure Act, 5 U.S.C. § 552 (102a-103a), requires an agency to promulgate rules governing all of its functions.

More importantly, it is axiomatic that the agency is in a better position to exercise such discretion and to determine its own historical practice and procedure as well. The citizen has little opportunity to determine these facts in the district court, particularly under the rule adopted by the Court of Appeals that no discovery is available to determine previous agency positions in a district court enforcement proceeding.[17] (13a n.7.)

If the Court of Appeals decision is allowed to stand, a single agency employee—without any review at the agency level—can mail a subpoena anywhere in the country and require a citizen to produce all documents he has demanded or to defend a summary enforcement action in the District of Columbia, where under the decision below no discovery is allowed and the subpoena is assumed to be valid unless the citizen proves otherwise.

The Court of Appeals has expressly approved this course of agency conduct and, as a result, the recipients of agency subpoenas in the future can expect their objections based on breadth, ambiguity, burden, privilege, and confidentiality to be ignored by the agency and summarily rejected by the court, however valid.

---

[17] Based on all published information, it appears that DOE has applied 10 C.F.R. § 205.8 to all previous subpoenas issued by the agency. However, Shell was denied the discovery it sought in the district court to determine what the agency practice was.

IV. THE JUDGMENT BELOW WRONGLY SANCTIONED AN AGENCY'S USE OF A SUBPOENA FOR AN IMPROPER PURPOSE

DOE has adamantly refused to limit the scope of the Title III Subpoena as it applies to Shell, and DOE has likewise refused to grant Shell the same confidentiality protection provided to the six companies which surrendered their right to contest the legality of the Title III Subpoena.

As the Court of Appeals itself noted, DOE cannot possibly show that such discriminatory treatment was mandated by Title III of PMPA or that it is in the public interest. (15a n.8.)

Instead, DOE is attempting to enforce a subpoena which in large part seeks documents which are irrelevant to the subject matter of the Title III Subpoena, as Circuit Judge Wilkey noted. (22a.) Indeed, DOE is threatening Shell with the release of its confidential documents to unspecified federal agencies for purposes other than Title III of PMPA. (95a-96a.) Title III authorizes DOE to conduct a study of subsidization for Congress; it does not authorize DOE to obtain documents for other agencies to use in the course of their day-to-day duties.[18] Under such circumstances, it is impossible to contend that this proceeding was meant to enforce a subpoena issued for a proper purpose. Rather, DOE attempted to use an overbroad subpoena to coerce Shell into supplying without objection the documents actually necessary for the Title III

---

[18] This sharing of Title III material among government agencies is also directly contrary to the legislative history of PMPA. Senator Kennedy's proposed amendment, which would have allowed such sharing of Title III material, was rejected by the Senate because otherwise "hell will freeze over before [the oil companies] will voluntarily give one ounce of information, because they know it is going to be disseminated to everybody under the shining Sun." 124 Cong. Rec. S 7,153 col. 2 (Daily ed., May 9, 1978). (65a.)

Study. DOE cannot credibly contend that the Title III Study would be impaired in the least if Shell were to provide materials on the same terms and conditions as the other six companies have done.

Thus, to the extent which the Wright-Bazelon *per curiam* opinion approves an agency's use of or allows an agency to engage in such discriminatory conduct, it is contrary to the decisions of this Court which hold that subpoenas and other compulsory process cannot be used for improper purposes. *United States* v. *Bisceglia*, 420 U.S. 141 (1975); *United States* v. *Powell*, 379 U.S. 48 (1964). *See also FTC* v. *Turner*, 609 F.2d 743 (5th Cir. 1980).

V. THE JUDGMENT BELOW IMPOSED A PENALTY ON THE EXERCISE OF A LEGAL RIGHT

The Court of Appeals has approved an agency's threats to disclose confidential information to induce subpoena recipients to provide documents voluntarily rather than to challenge the validity of the subpoena.

The protective order adopted by the Court of Appeals (16a-21a), by the Court's own admission, differs in material respects from that to which DOE agreed in the case of the six other companies which surrendered their right to contest the subpoena. (15a n.8.) Namely, the scope of the request was restricted substantially—presumably to conform to the scope of the Title III Study—and extremely confidential materials could not be possessed by DOE or used by other agencies except for the Title III Study.

DOE has therefore, with the approval of the Court of Appeals, penalized Shell for exercising its legal right to resist enforcement of an illegal subpoena. This is directly contrary to the teaching of this Court that a subpoena

cannot be used for such an improper purpose. *United States* v. *Bisceglia*, 420 U.S. 141 (1975); *United States* v. *Powell*, 379 U.S. 48 (1964).

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

J. WALLACE ADAIR
ROBERT W. STEELE
ROBERT E. HEBDA
HOWREY & SIMON
1730 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 783-0800

Attorneys for Petitioner
Shell Oil Company

Of Counsel:

A. M. MINOTTI
SHELL OIL COMPANY
One Shell Plaza
P.O. Box 2463
Houston, Texas 77001
(713) 241-6161

March 10, 1980

Appendices

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 80-1002

UNITED STATES OF AMERICA

v.

EXXON CORPORATION, a Corporation, APPELLANT

No. 80-1003

UNITED STATES OF AMERICA

v.

SHELL OIL COMPANY, a Corporation, APPELLANT

No. 80-1018

UNITED STATES OF AMERICA

v.

MARATHON OIL COMPANY, a Corporation, APPELLANT

Appeals from the United States District Court
for the District of Columbia

(D.C. Miscellaneous Nos. 79-0149, 79-0150, & 79-0217)

Argued February 13, 1980

Decided February 25, 1980

Donald B. Craven, with whom *Mark L. Evans* was on the brief, for appellant Exxon Corporation. *A. M. Minotti* entered an appearance for appellant Exxon Corporation. [*Sic.*]

Robert W. Steele, with whom *J. Wallace Adair* and *Robert E. Hebda* were on the brief, for appellant Shell Oil Company.

Daniel Joseph, with whom *Warren E. Connelly* and *William M. Berenson* were on the brief, for appellant Marathon Oil Company.

Thomas R. Kline and *Ann F. Cohen*, Attorneys, Department of Justice, with whom *Alice Daniel*, Assistant Attorney General. *Charles F. C. Ruff*, United States Attorney, and *William G. Kanter*, Attorney, Department of Justice, were on the brief, for appellee. *H. Robert Field*, Attorney, Office of Competition, Department of Energy, also entered an appearance for appellee.

Before WRIGHT, *Chief Judge*, BAZELON, *Senior Circuit Judge*, and WILKEY, *Circuit Judge*.

Opinion for the court *per curiam*.

Dissenting opinion filed by *Circuit Judge* WILKEY.

PER CURIAM: These are appeals from a District Court order of December 19, 1979 enforcing identical adminis-

trative subpoenas duces tecum against three oil companies: Exxon Corporation, Shell Oil Company, and Marathon Oil Company. We affirm the District Court's enforcement of the subpoenas, subject to a protective order as discussed below.

On May 9, 1978 Congress passed the Petroleum Marketing Practices Act (PMPA), 15 U.S.C. § 2801 *et seq.* (Supp. 1979), Title III of which directs the Secretary of Energy, in consultation with the Federal Trade Commission (FTC), the Justice Department, and other appropriate agencies, to conduct a study of subsidization of wholesale and retail motor fuel sales by vertically integrated oil companies. *Id.* § 2841.[1] The Secretary delegated to the Director of the Office of Competition of the Department of Energy (DOE) his purported power to issue subpoenas to obtain information for the Title III study, and on January 22, 1979 the Director served on these appellants subpoenas for a broad range of documents related to subsidization.[2]

---

[1] The Title III study, which was to be completed within 18 months of enactment, is to cover the following subjects:

> (1) the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail;
>
> (2) the extent to which such subsidization is predatory and presents a threat to competition;
>
> (3) the profitability of various segments of the petroleum industry;
>
> (4) the impact of prohibiting such subsidization on the competitive viability of various segments of the petroleum industry, on prices of motor fuel to consumers and on the health and structure of the petroleum industry as a whole; and
>
> (5) such other matters as the Secretary considers appropriate.

15 U.S.C.A. § 2841(b) (Supp. 1979).

[2] The subpoenas are set out in the Joint Appendix at 24-38.

Appellants have challenged the subpoenas on several grounds, most notably: (1) DOE's subpoena power under Title III can derive only from Title III itself, the language of which is silent on subpoena power, and the legislative history of which demonstrates congressional intent that DOE have no subpoena power for the Title III study. (2) The general grants of subpoena power to DOE in the Department of Energy Organization Act (DOEOA), 42 U.S.C. § 7101 *et seq.* (Supp. I 1977), and the Federal Energy Administration Act (FEAA), 15 U.S.C. § 761 *et seq.* (Supp. I 1977), cannot provide subpoena power for an agency function which, like the subsidization study, stands outside and was mandated subsequent to these general acts. (3) Even if the general grant of subpoena power under the DOEOA, 42 U.S.C. § 7255 (Supp. I 1977), could apply to a later-mandated agency function, that section, which incorporates the subpoena power granted the FTC under 15 U.S.C. § 49 (1976), applies only to narrowly focused agency investigations of specific legal violations, not open-ended studies. (4) In denying administrative review of the subpoenas, DOE violated its own regulations, the Administrative Procedure Act, and the due process clause. (5) The subpoenas are too broad and burdensome to meet the demands of legitimate purpose and relevancy.

Judge Penn rejected the oil companies' claims, holding that DOE had subpoena power for the Title III study under DOEOA. We agree. Title III of PMPA rather obviously makes no provision for subpoena power for the subsidization study.[3] Our analysis of DOEOA, however, reveals that DOE did not need a special grant of subpoena power for this specific study. Rather, Title III

---

[3] On the other hand, Title II of PMPA, which sets standards for accurate disclosure of motor fuel octane ratings, does expressly grant subpoena power to the FTC. 15 U.S.C.A. § 2823(a) (Supp. 1979).

specifically *instructs* DOE to conduct a study which the agency would in any event *be permitted* to conduct under its broad general DOEOA mandate. Thus, DOE can rely on the subpoena power in Section 7255.[4] We address this issue first, because it lays the premise for our analysis of the oil companies' legislative history argument.

DOEOA provides in 42 U.S.C. § 7255:

> For the purpose of carrying out the provisions of this chapter, the Secretary, or his duly authorized agent or agents, shall have the same powers and authorities as the Federal Trade Commission under Section 49 of Title 15 [the FTC's subpoena power] with respect to all functions vested in, or transferred or delegated to, the Secretary or such agents by this chapter.

In creating DOE, Congress expressly sought to achieve effective management of energy resources, promote consumer interests by ensuring an ample and reasonably priced supply of energy, and foster the economic health of small businesses engaged in energy production. *Id.* § 7112. The statute mandates appointment of eight Assistant Secretaries with such responsibilities as promoting competition and setting regulations for consumer protection. *Id.* § 7133(a)(7). The Secretary must create an Energy Information Administration (EIA) for

> carrying out a central, comprehensive, and unified data and information program which will collect, evaluate, assemble, analyze, and disseminate data and information which is relevant to energy re-

---

[4] So holding, we agree with the District Court that there is thus no need to answer the somewhat more involved question whether FEAA provides yet another source of this subpoena power.

> source reserves, energy production, demand, and technology, and related economic and statistical information, or which is relevant to the adequacy of energy resources to meet demands in the near and longer term future for the Nation's economic and social needs.

Id. § 7135(a)(2). The statute also vests the EIA Administrator with the very broad duties the FEAA had assigned to the Administrator of the Office of Energy Information Administration under 15 U.S.C. § 790 *et seq.* (Supp. I 1977), including the task of maintaining information on the economic structure of energy supply systems. *Id.* § 790a(b). Finally, the DOEOA requires the Secretary to make an annual report on the effectiveness of competitive and regulatory practices of government and private entities. 42 U.S.C. § 7267(5) (Supp. I 1977).

The specific study required by Title III falls well within the range of administrative inquiry which these provisions of DOEOA place within DOE's power. We find no reason why the phrase "by this chapter" in Section 7255 cannot include an agency function lying within the powers granted by that chapter, but reinforced by a specific subsequent legislative mandate. Thus, DOE's performance of the Title III study is a legitimate means of "carrying out the provisions of this chapter" within the meaning of Section 7255.

Since DOE thus already possessed subpoena power for a general study of subsidization when Congress passed Title III, that statute's silence on subpoena power would seem to be of no consequence; Congress would have had to build into Title III a clear withdrawal of subpoena power if it did not want DOE to issue subpoenas for the Title III study. The oil companies point to the legislative history of Title III and to grants of subpoena power in related legislation to argue that Congress intended to do just that. We disagree.

The heart of the legislative history argument is a pair of remarks by Senator Bumpers, the sponsor of Title III. The remarks arose during debate on a proposed amendment to Title III offered by Senator Kennedy. That amendment, incorporating the confidentiality section of the Energy Supply and Coordination Act, 15 U.S.C. § 796(d) (Supp. I 1977), would have barred disclosure of certain information DOE obtained from the oil companies as confidential, except for requiring disclosure upon request to the Justice Department, the FTC, and other listed agencies. Senator Bumpers objected vigoronsly to the Kennedy amendment, apparently construing it as giving these other agencies access which they would otherwise lack to DOE-obtained information. Senator Bumpers believed that the oil companies' fear of adverse use of such information by the other agencies would chill their willingness to voluntarily comply with DOE requests for Title III information. Apparently, he felt that such voluntary compliance was crucial because he assumed that DOE would have no subpoena power under Title III. *See* 124 CONG. REC. S7155 (daily ed. May 9, 1978).[5]

---

[5] Senator Bumpers' key remarks were as follows:

> * * * The Justice Department has subpena powers. If they are sure that something is going on that is wrong among major oil companies, they can subpena the information. They do not have to request it. They do not have to ask for their cooperation. Here we do. * * *
>
> * * * *
>
> * * * [Kennedy's] amendment has nothing to do with what kind of energy information [the other agencies] will get. They will get no more information under his amendment than under mine. They will not have the right to get the information under subpena powers either way. * * *

124 CONG. REC. S7155, cols. 1, 2 (daily ed. May 9, 1978).

The debate on the Kennedy amendment is clouded by confusion on both sides as to what changes the amendment would make in the status quo. Despite this confusion, it does appear clear that Senator Bumpers thought there would be no subpoena power under Title III. Nevertheless, we do not see how Senator Bumpers' express or implied view can alter our own view of DOE's general subpoena power here. First, "[t]he remarks of a single legislator, even the sponsor, are not controlling in analyzing legislative history." *Chrysler Corp. v. Brown*, 441 U.S. 281, 311 (1979). Second, even if Senator Bumpers did believe that DOE would have no subpoena power under Title III, that belief was really unnecessary to his argument against the Kennedy amendment. Senator Bumpers wanted to encourage voluntary compliance with Title III. Under the severe time constraints Title III was to impose on DOE, voluntary compliance would be extremely desirable, even if DOE retained a fall-back subpoena power. Therefore, the context of Senator Bumpers' remarks weakens their significance as evidence of intent on the subpoena issue. Moreover, the fact that his assumption that DOE would have no subpoena power was unnecessary to his position on the Kennedy amendment may explain why no Senators rose to challenge that assumption; it was simply not centrally relevant to the debate. In fact, so far from believing the goal of voluntary compliance and the presence of a residual subpoena power inconsistent, Congress may well have thought the two complementary. Since the focus of the Title III study is the possibility of predatory subsidization of motor fuel sales by the oil companies, Congress may have assumed the residual subpoena power to be necessary to encourage agreements effecting voluntary compliance. Without the brooding threat of such subpoena power, Congress might reasonably have feared that the oil companies' willingness to participate in the study would be less than overwhelming.

The oil companies nevertheless invoke the hoary principle of *expressio unius est exclusio alterius* to buttress their view of congressional intent. First, whereas Title III of PMPA never mentions subpoena power, Title II, which requires accurate disclosures of motor fuel octane ratings, expressly grants subpoena power to the FTC. 15 U.S.C.A. § 2823(a) (Supp. 1979). Second, Congress expressly gave subpoena power to the DOE itself in such other specific statutes as the Powerplant and Industrial Fuel Use Act, 42 U.S.C.A. § 301 *et seq.* (Supp. 1979), and the Emergency Energy Conservation Act of 1979, Pub. L. No. 96-102.

These congressional actions might, among many other factors, provide some evidence on the issue of congressional intent, but they are hardly decisive. The structure of Title II differs markedly from that of Title III. Title II is primarily a directive to *private* parties to fulfill general reporting requirements imposed by the Act. Title II, however, secondarily establishes the FTC as the enforcing agency, and Congress may have felt a need to spell out the FTC's enforcement powers in some detail. Title III, in contrast, is primarily a directive to a government agency, the Department of Energy, and Congress may reasonably have understood Title III to incorporate DOE's general enforcement powers from the DOEOA.

As for the Powerplant and Energy Conservation Acts, the grants of subpoena power there may well have been the product of "uncertainty, understandable caution, and a desire to avoid litigation." *Nat'l Petroleum Refiners Ass'n v. FTC*, 482 F.2d 672, 696 (D.C. Cir. 1973). The oil companies' *expressio unius* argument remains highly speculative. Moreover, since Section 7255 had already given DOE subpoena power for a study like that directed in Title III, for us to accept the oil companies' argument we would have to read the combination of their

legislative history and *expressio unius* theories as proof of repeal or amendment by implication. The Supreme Court has cast grave doubt on such inferences, *TVA v. Hill*, 437 U.S. 153, 189-190 (1978), and its suspicions would be especially justified here where the inference would be based not on any language in Title III itself, but on a stray remark in the legislative history and questionable reference to other statutes.

The oil companies nevertheless argue that 15 U.S.C. § 49 (1976), the FTC Act provision on which the Section 7255 subpoena power is based, allows the agency to issue subpoenas only as part of narrowly focused investigations of specific parties suspected of specific legal violations, and not as part of broad inquiries into the possibility of legal violations throughout an industry or into industry conduct not currently illegal which might warrant fresh administrative or legislative action. We find nothing in the FTC Act or in the judicial history of Section 49 or Section 7255 to support this distinction.

The key provision in the FTC Act states:

> For the purposes of this subchapter the Commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person, partnership, or corporation being investigated or proceeded against; and the Commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. * * *

15 U.S.C. § 49 (1976). Although the section might put some limit on FTC orders of access, the rather laconic phrase "relating to any matter under investigation" describing the scope of the subpoena power hardly suggests the study-investigation distinction argued by the oil companies. Moreover, the language of other related sections

of the FTC Act argues directly against this distinction. Section 46, in granting substantive powers to the FTC, clearly uses the verb "investigate" to describe broad administrative functions involving studies or inquiries which logic would force the oil companies to place on the "study" rather than on the "investigation" side of their distinction. *See id.* § 46(a), (h).

Moreover, of the numerous cases cited by the oil companies to support their distinction, none is on point. Some involve judicial construction of the very particular terms of a wholly different statute, like the Internal Revenue Code. *United States v. Bisceglia*, 420 U.S. 141 (1975); *United States v. Humble Oil & Refining Co.*, 488 F.2d 953 (5th Cir. 1974), *vacated*, 421 U.S. 943 (1975), *reinstated on remand*, 518 F.2d 747 (5th Cir. 1975). Other cited cases simply uphold subpoenas issued pursuant to law enforcement investigations without judging the validity of subpoenas issued for other purposes. *United States v. Bell*, 564 F.2d 953 (TECA 1977); *United States v. Empire Gas Corp.*, 547 F.2d 1147 (TECA 1976), *cert. denied*, 430 U.S. 915 (1977). And *FTC v. Baltimore Grain Co.*, 284 F. 886 (D. Md. 1922), *aff'd per curiam*, 267 U.S. 586 (1925), involved not a subpoena, but an order of access.

To the extent that these cases might accumulate into some amorphous general congressional belief in the study-investigation distinction, they are easily offset by numerous cases cited by DOE which suggest, at least generally, the absence of such a distinction. With no controlling precedent, we revert to the language and scheme of the FTC Act, and find no grounds for the oil companies' theory.[6]

---

[6] Appellants also rely on our recent decision in *United States v. Iannone*, 610 F.2d 943 (D.C. Cir. 1979), as support for limiting DOE's general subpoena powers. We find the case easily distinguishable. In *Iannone*, Congress had given

The oil companies' procedural objections to the subpoena merit little attention. Appellants claim that under the DOE regulations for review of agency subpoenas, 10 C.F.R. § 205.8 (1979), DOE was required to entertain their motion to quash. DOE points in response to Section 205.1 of the regulations, which purportedly limits the subpoena review regulations to subpoenas issued as part of the specific agency functions described in 10 C.F.R. §§ 209-214 (1979), into none of which categories falls the subsidization study. Whether the reference to Sections 209-214 in Section 205.1 is inclusive or exclusive may not be obvious, but an agency is entitled to very broad deference when it construes its own regulations, *Udall v. Tallman*, 380 U.S. 1, 16 (1965), and we see no reason to disagree with DOE here.

As for other procedural arguments, the oil companies offer no sound authority for their view that either the Administrative Procedure Act or due process requires the agency to promulgate review regulations for all agency subpoenas. *See United States v. Firestone Tire & Rubber*

---

the Inspector General of DOE express power to subpoena documents but was silent on his power to subpoena live testimony. We held that grant of power to subpoena documents to be exclusive. There, however, we had a clear and focused expression of congressional intent with respect to the subpoena powers of a particular official. Moreover, our concern lay not with the general scope of DOE's subpoena power, but with problems of delegation of that power to that particular official. First, the Inspector General is supposed to be an independent officer within DOE, not an "agent" of the Secretary within the meaning of 42 U.S.C. § 7255. 610 F.2d at 946. Second, Congress has sought to create a comprehensive system of Inspectors General throughout the government, all with identical powers. Varying grants of subpoena authority to Inspectors General from agency heads would disrupt such a system. Plainly, none of the considerations in *Iannone* bear on this case.

Co., 455 F.Supp. 1072, 1080 (D. D.C. 1978). *Northern California Power Agency v. Morton*, 396 F.Supp. 1187 (D. D.C. 1975), on which the oil companies rely, did not involve subpoenas, but complex ratemaking matters which, in the court's view, required regulations to help the parties obtain review of massive technical data. Moreover, in that case court review would be limited to the agency record, which the court thought would be enhanced by new regulations. In a subpoena enforcement, by contrast, the District Court can inquire into all relevant matters, unlimited by the scope of the agency's own inquiry, if any. In any event, we find no evidence that the oil company did not have a reasonable hearing on its challenges to the subpoenas in the District Court, and so we find no reason to impose new procedural rules on the agency.[7]

Finally, we find that the subpoenas were reasonably relevant to the agency's legitimate statutory purpose and imposed no undue burden on the oil companies. *Oklahoma Press Publishing Co. v. Walling*, 327 U.S. 186, 209 (1946). Marathon makes the rather novel argument that the Secretary should first collect documents on subsidization and only if he finds evidence of this practice proceed to seek information on the possibly predatory motive behind it. But nothing in the statute or its legislative history suggests in any way that Congress intended

---

[7] We find no merit and little coherence in Shell's claim that the District Court erred in denying it discovery in the enforcement proceeding, and in reaching the merits of the subpoena question in denying Shell's motion to dismiss, before Shell filed an answer. Except in extraordinary circumstances of the sort that are not apparent here, discovery is improper in a summary subpoena enforcement proceeding, *United States v. Firestone Tire & Rubber Co.*, 455 F.Supp. 1072, 1078 (D. D.C. 1978), and Shell appears to have had ample opportunity to present the District Court with all its objections to the subpoenas.

this study to be conducted in stages; its tight deadline suggests quite the contrary.

We thus conclude that as a matter of law the DOE acted within its statutory power in issuing the Title III subpoenas. Nevertheless, we uphold their enforcement subject to the precise terms of a protective order. Since the enforcement of a subpoena is an independent judicial action, and not merely an action ancillary to an earlier agency action, *ICC v. Brimson*, 154 U.S. 447 (1894), a court is free to change the terms of an agency subpoena as it sees fit. *Flotill Products, Inc. v. FTC*, 278 F.2d 850, 852 (9th Cir. 1960).

DOE originally issued subpoenas to nine oil companies, including, in addition to the appellants, Ashland Oil Company, Atlantic Richfield Oil Company, Clark Oil & Refining Company, Gulf Oil Corporation, Standard Oil Company of Indiana, and Texaco, Inc. These latter six companies, however, avoided enforcement of the subpoenas by coming to agreements with DOE providing for voluntary submission of documents relevant to the Title III study with special protection for certain documents designated by the companies as "confidential" or "extremely confidential." Under these agreements, "confidential" documents in DOE hands would remain in special locked files, while "extremely confidential" documents would generally remain in the companies' possession and thus never become agency records subject to public disclosure under the Freedom of Information Act. The gist of these protections is set out in the attached Protective Order. In settling with the six other companies, DOE apparently believed that these protections put no serious constraints on the Title III study. DOE has not shown any reason why the appellants do not need similar protection, and in fact, in an effort at settling after oral argument in this case, expressly offered equivalent confidentiality terms to appellants. We therefore find it appropriate to modify the

subpoenas to incorporate the essential confidentiality provisions of these earlier agreements.[8]

Subject to the attached Protective Order, the judgment of the District Court is

Affirmed.

---

[8] The attached Protective Order is essentially the one submitted by DOE as part of its effort to settle the case after oral argument in this court. The government's settlement proposal appears to differ from the agreements reached with the nonlitigating oil companies in only two material ways, and we must presume it was these differences which deterred the appellants from settling.

First, the government did not offer the appellants, as it did the nonlitigating companies, assurance that it would not exercise any discretion it possessed under *Chrysler Corp. v. Brown,* 441 U.S. 281 (1979), to release to the public any information otherwise exempt under the Freedom of Information Act. We think the public interest is not disserved by providing appellants this protection, so we include it in the Protective Order.

Second, the earlier agreements had provided that if DOE shares any of its Title III information with the Justice Department or the FTC, those agencies are bound not to use such information—unless it is elsewhere available—for any purpose other than that of Title III itself. The nonlitigating oil companies thus obtained assurance that the other agencies could not use any such information as the basis for any independent legal actions against them. After those agreements were drawn, DOE received complaints from the Justice Department and the FTC that such provisions, forcing them to read Title III documents with one eye closed, so to speak, unduly inhibit them in their statutory law enforcement duties and were not in any event required by law. We agree. Appellants have not alerted us to any authority, either in general or in the text or legislative history of PMPA, for requiring such extraordinary protection. Thus, we are loath to make such protection part of our Protective Order, especially since Title III expressly provides for consultation between DOE and other agencies.

PROTECTIVE ORDER

I. Production of Documents.

By March 3, 1980 Exxon Corporation, Shell Oil Company, and Marathon Oil Company (hereinafter referred to as company) shall produce all documents specified in the subpoenas issued on January 22, 1979 by William C. Lane, Jr. of the Department of Energy (DOE), subject to the provisions for confidential treatment set forth below.

II. Confidentiality

(A) Each company shall designate in good faith at the time of production of documents or information pursuant to this Protective Order those items that it claims to be "Confidential" in that they contain proprietary, trade secret, or other confidential information. Each company may also designate a reasonable number of documents and information each company deems to be "Extremely Confidential" in that they contain proprietary, trade secret, or other confidential information of such a significant and confidential nature that their release may have an extremely adverse effect on the company's competitive business position. A designation by each company as "Confidential" or "Extremely Confidential" is not a declaration of the agency of such designation. Documents designated by being "Extremely Confidential" shall be made available for examination by personnel assigned to the Title III study from the Office of Competition (O/C), the Department of Justice (DOJ), the Federal Trade Commission (FTC), and any other agency as designated by the Secretary for participation in the Title III study at the offices designated by each company in Washington, D.C. In the event any of the above-listed agencies reasonably determines that physical possession of a copy of a document labeled "Extremely Confidential" is necessary, those agencies may make a request for such a copy, which request the company shall not unreasonably refuse.

(B) In the event that copies are made of, or notes are taken concerning, such "Extremely Confidential" documents by any person examining the documents, such copies and notes shall be treated as "Extremely Confidential" documents within the meaning of that term as it is used in this Protective Order.

(C) In the event that O/C, DOJ, FTC, or any other agency designated by the Secretary for participation in the Title III study determines that physical possession of the notes from, or a copy of, a company document labeled "Extremely Confidential" is necessary for the completion of the Title III study, pursuant to Subparts (A) and (B) of this Part, or if, upon examination of such documents for Title III purposes, another law enforcement purpose is evident, such document may be requested for such use. If so requested, such agency shall provide the following continuing protections for the confidentiality of such notes or documents, as well as for documents labeled "Confidential" or notes taken from such "Confidential" documents:

(1) All such documents and notes, as well as drafts and manuscripts of the Title III study, shall be secured in a locked file cabinet when not in use and in a room which is locked when not in use or such other facilities as will provide comparable security.

(2) A log, available to the company upon request, shall be maintained by all individuals that have access to "Confidential" documents of that company.

(3) A separate log, available to the company upon request, shall be maintained for "Extremely Confidential" documents which shall show on a document-by-document basis who has possession of such document.

(4) Individuals granted access to "Confidential" or "Extremely Confidential" documents of a company shall be informed of the status of these

documents and the limitations on their use and such individuals, other than attorneys employed by O/C, DOJ, FTC, and other agencies designated by the Secretary for participation in the Title III study, shall sign an acknowledgment of their understanding of these limitations in the form attached as Exhibit A. A copy of the executed undertaking shall be made available to the company.

(5) All "Confidential" and "Extremely Confidential" material shall be returned to said locked file cabinets at the end of each working day.

(D) In the event O/C, FTC, or any other agency designated by the Secretary for participation in the Title III study determines that any of a company's documents labeled "Extremely Confidential" are not necessary to the Title III study, that agency shall immediately return such documents to the company. Provided, however, that if upon examination of such document for Title III purposes another law enforcement purpose is evident, such document may be kept for such use.

(E) Any government agency having possession of documents produced under this Protective Order may share those documents with any other government agency that agrees to abide by the terms of this Protective Order.

(F) Nothing in the Protective Order shall be construed as precluding or limiting disclosure:

(1) pursuant to a valid subpoena or court order;

(2) pursuant to a request formally authorized by a committee or subcommittee of Congress with jurisdiction over the subject matter of the documents or information requested;

(3) at the direction of the Office of Management and Budget under 44 U.S.C. § 3502 *et seq.*

(G) Any agency having possession of any documents obtained under this Protective Order shall promptly notify a company of all requests for disclosure under the Freedom of Information Act of any document or information produced by a company under this Protective Order, including requests for disclosure that would be permitted hereunder, and the basis therefor, and shall also give the company the maximum actual notice reasonably possible, and not less than ten days' notice (unless compelled by court order or lawful subpoena to disclose the document in less than ten days), of any intended disclosure. The notice period shall run from the date on which the company actually receives such written notice. No agency shall exercise any discretion it may have under the Freedom of Information Act to release otherwise exempt material provided by any company.

(H) Portions of the draft report on the Title III study which contain or summarize information from "Confidential" or "Extremely Confidential" documents shall be treated in the same manner as other "Confidential" or "Extremely Confidential" documents under this Protective Order. In addition, O/C will send to a company those portions of the final draft of such report which cite or summarize "Confidential" or "Extremely Confidential" documents at least ten days prior to public release of the report and provide the company with an opportunity to comment on O/C's intended use prior to release of such report.

(I) At the conclusion of O/C's Title III study, any agency in possession of any documents obtained under this Protective Order shall immediately return to a company all documents or information produced by that company pursuant to this Protective Order (and all copies of such documents or information) which are not referenced in or relied upon to prepare the Title III study or which are not, having been examined for the Title III study, necessary for a law enforcement purpose. In any event,

all documents will be returned to a company within four (4) years from the completion of the Title III study unless being kept for a law enforcement purpose.

(1) All documents and information not immediately returned or released to a company pursuant to Subpart (I) of this Part shall continue to be maintained by the agency in possession in the same manner as provided in Subpart (C) of this Part until returned.

(2) All notes taken from a company document labeled "Extremely Confidential" shall be destroyed by the agency in possession when the report of the Title III study is submitted to Congress, unless being kept for a law enforcement purpose.

(J) O/C, DOJ, FTC, or any other government agency designated by the Secretary may request and a company shall not unreasonably refuse the reclassification of any material designated either "Confidential" or "Extremely Confidential" which the agency believes may have been wrongly classified or which the passage of time may have made less sensitive. Such request of an agency shall specifically state the reasons for the request, including the intended use thereof.

(K) A company shall inform O/C of the person authorized to receive notification under this Protective Order.

EXHIBIT A

STATEMENT

_____ hereby states:
(Name)

I reside at _____
(Street Adress)

in the City of _____,
(Name of City)

County of _____
(Name of County)

_____ in the _____
(Capacity) (Department or Agency)

I understand that I will have access to and be examining corporate documents of _____
(Company)
which are of a highly proprietary and confidential nature, and pledge that I, under no circumstances, shall remove any such confidential document from the control of _____. Furthermore, I have
(Government Agency)
read the Protective Order covering these documents and understand the limitations contained therein on the use of information contained in those documents. I further understand that violation of the terms of the Protective Order may subject me to severe penalties under 18 U.S.C. § 1905, including fines and imprisonment.

Dated: _____ _____

WILKEY, *Circuit Judge*, dissenting: This case deserves, and has received, all possible expedition, so I record my disagreement with my colleagues' conclusion with unaccustomed brevity. I think the appellants are correct in their challenge to the subpoenas on points (1), (2), and (5) as stated in the third paragraph of the Per Curiam. On the face of the statute there is no subpoena power under Title III, there is admittedly not one word in the legislative history implying there is such a power, and there are words from two of the legislators most active on this statute saying flatly that no subpoena power exists for the Title III study, a repeated assertion which was repeatedly uncontradicted.

I agree, of course, with the imposition of the protective order.

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

September Term, 1979

Miscellaneous No. 79-0149

No. 80-1002

UNITED STATES OF AMERICA

v.

EXXON CORPORATION, a Corporation, APPELLANT

No. 80-1003

UNITED STATES OF AMERICA

v.

SHELL OIL COMPANY, a Corporation, APPELLANT

No. 80-1018

UNITED STATES OF AMERICA

v.

MARATHON OIL COMPANY, a Corporation, APPELLANT

Appeals from the United States District Court
for the District of Columbia

Before: WRIGHT, Chief Judge, BAZELON, Senior Circuit Judge, and WILKEY, Circuit Judge

JUDGMENT

These causes came on to be heard on the record on appeal from the United States District Court for the District of Columbia, and were argued by counsel. On consideration thereof, it is

ORDERED AND ADJUDGED, by this Court, that the judgment of the District Court appealed from in these causes is hereby affirmed, for the reasons set forth in the Opinion for the Court filed in these cases on February 25, 1980, as amended, subject to the protective order attached hereto as Schedule I and which is fully incorporated herein.

Per Curiam

For the Court

/s/ George A. Fisher
GEORGE A. FISHER
Clerk

Filed: February 26, 1980

Opinion for the Court *per curiam.*

Dissenting opinion filed by Circuit Judge Wilkey in which he notes his disagreement with the disposition of this case on the merits but agrees with the imposition of the protective order.

[Protective Order omitted. It is set forth as part of Appendix A, *supra*, pp. 16a-21a.]

APPENDIX C

UNITED STATES COURT 0F APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

September Term, 1979

Misc. No. 79-0149

No. 80-1002

UNITED STATES OF AMERICA

v.

EXXON CORPORATION, a Corporation, APPELLANT

And Consolidated Case Nos. 80-1003 and 80-1018

Filed Feb. 29, 1980

Before: WRIGHT, Chief Judge; BAZELON, Senior Circuit Judge; and WILKEY, Circuit Judge

ORDER

Upon consideration of appellants' motions for stay of mandate, of the motions for expedited consideration of same, and of appellee's opposition to the requested stays of mandate, it is

ORDERED, by the Court, that the motions for expedited consideration of the requests for stay of mandate are granted, and it is

FURTHER ORDERED, by the Court, that appellants' motions for stay of mandate are granted to and including March 10, 1980, on which date the Clerk is directed to issue the mandate in these cases.

Per Curiam

FOR THE COURT:

/s/ George A. Fisher
GEORGE A. FISHER
Clerk

APPENDIX D

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Misc. No. 79-0150

Filed Dec. 19, 1979

UNITED STATES OF AMERICA,
c/o U.S. Attorney,
Courthouse Building,
Washington, D.C. 20001, PETITIONER

v.

SHELL OIL COMPANY, a Corporation,
c/o C. T. Corporation System,
918 - 16th St., N.W.,
Washington, D.C. 20006, RESPONDENT

ORDER

Petitioner, the United States of America, having invoked the aid of the Court, pursuant to Section 645 of the Department of Energy Organization Act, 42 U.S.C.A. Section 7255 and Section 13(e) of the Federal Energy Administration Act, 15 U.S.C. Section 772(e) (1976), in requiring the above-captioned respondent to comply with the administrative subpoena *duces tecum* issued on January 22, 1979, to obtain information for a study being conducted pursuant to Title III of the Petroleum Marketing Practices Act, Public Law 95-297, 15 U.S.C.A. §§ 2801 *et seq.* and the Court having considered the Petition and other papers of record, and the Court being of the opinion that the subpoena was lawfully issued for an inquiry within the authority of the agency; the demand is not too indefinite, and the information sought is reasonably rele-

vant, and therefore the subpoena should be enforced, it is hereby

ORDERED that respondent Shell appear before William C. Lane, Jr., the Director of the Office of Competition of the Office of Policy and Evaluation of the Department of Energy or his representative at a time and place in Washington, D.C., to be designated by the petitioner upon not less than ten (10) days' notice, and produce documents as required by the subpoena *duces tecum* issued by William C. Lane, Jr., on January 22, 1979, a copy of which subpoena is attached to the Petition.

/s/ John Garrett Penn
JOHN GARRETT PENN
United States District Judge

December 17, 1979

APPENDIX E

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Misc. 79-149

UNITED STATES OF AMERICA

v.

EXXON CORPORATION

Misc. 79-150

UNITED STATES OF AMERICA

v.

SHELL OIL CO.

Misc. 79-217

UNITED STATES OF AMERICA

v.

MARATHON OIL CO.

Filed Jan. 15, 1980

MEMORANDUM

These three cases came before the Court on petitions by the United States to enforce subpoenas duces tecum dated January 22, 1979, and served on the three respondents, Exxon Corporation (Exxon), Marathan [*sic*] Oil Co. (Marathon), and Shell Oil Co. (Shell). Petitioner filed these actions when the respondents failed to honor the subpoenas.[1, 2] The Court heard arguments in support of and in opposition to the respective petitions and on December 17, 1979, entered Orders directing the respondents to comply with the subpoenas. The purpose of this Memorandum is to briefly set forth the basis of the Court's ruling.

Petitioner brings these actions pursuant to the authority granted by the Department of Energy Organization Act (DOEOA), 42 U.S.C. § 7101 *et. seq.*, and the Federal Energy Administration Act (FEAA), 15 U.S.C. § 761 *et. seq.* The subpoenas were issued by the Director of the Office of Policy and Evaluation, acting under a delegation of authority from the Secretary of the Department of Energy, to require the respondents to provide information necessary for the preparation of a study required by Title III of the Petroleum Marketing Practices Act (PMPA), 15 U.S.C. § 2841. Section 2841(a) provides:

> (a) The Secretary of Energy, in consultation with the Chairman of the Federal Trade Commission and the Attorney General and other agencies as the Secretary deems appropriate, shall conduct a study of

---

[1] The actions against Exxon and Shell were filed on June 29, 1979, and the action against Marthon [*sic*] was filed on October 10, 1979.

[2] Similar subpoenas have been served on several other oil companies which voluntarily complied after negotiations with the Department of Energy.

> the extent to which producers, refiners, and other suppliers of motor fuel subsidize the sale of such motor fuel at retail or wholesale with profits obtained from other operations.

Section 2841(b) provides that the study shall examine the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail, the extent to which such subsidization is predatory and presents a threat to competition, the profitability of various segments of the petroleum industry, the impact of prohibiting such subsidization on the competitive viability of segments of the industry, the prices of motor fuel to consumers and the health and structure of the industry as a whole and such other matters as the Secretary deems appropriate. The Secretary plans to submit his report on March 31, 1980.[3]

I

Respondents object to the subpoenas on several grounds, namely, (1) that the PMPA does not confer subpoena power, (2) Congress did not intend to confer subpoena power upon the Department of Energy (DOE) for completion of the study required by PMPA, (3) the DOE cannot look to other statutes for subpoena power, including the DOEOA and the FEAA and (4) DOE may not use its investigatory powers under FEAA and DOEOA to fulfill its responsibilities under Title II of the PMPA. Respondents also attack the subpoenas on a number of procedural grounds. After giving careful consideration to the arguments of respondents, this Court concludes that they are without merit and that the subpoenas should be enforced.

---

[3] The report was originally due on December 19, 1979, but was extended due to various delays in obtaining information.

The petitioner concedes that the PMPA, standing alone, does not grant DOE the power to subpoena the information sought by that agency. However, petitioner argues and the Court agrees, that such authority is granted by the DOEOA and, at least arguably, by the FEAA. There is nothing in the PMPA or its legislative history which suggests that by enacting the PMPA, Congress acted to limit or prohibit the use of subpoenas. Such an argument would necessarily be based on a contention that the PMPA, having made no mention of subpoenas, necessarily amended the DOEOA and the FEAA by implication. As noted above, the Court finds nothing to support that contention and, in any event, amendments by implication are not favored. *See United States* v. *Weldon*, 377 U.S. 95, 103, n. 12 (1964). Moreover, to accept respondents' argument in this regard, would be to hold that every time Congress ordered DOE to perform a study pursuant to its authority under DOEOA, a special direction affirming the subpoena power would be necessary. The respondents have offered no argument or rationale which would support such a contention.

The power to issue the subpoenas is found in the DOEOA. In its declaration of purposes in creating the DOE, Congress noted that it sought to, among other things, achieve an effective management of energy functions, promote the interests of consumers through the provision of an adequate and reliable supply of energy at the lowest reasonable cost, and foster, insofar as possible, the good health of the nation's small business firms, private cooperatives and others involved in energy production. *See* 42 U.S.C. § 7112. In order to achieve those objectives, the statute provided for the appointment of eight Assistant Secretaries and included in their assigned responsibilities the task of reviewing competition and consumer affairs including the promotion of competition in the energy industry, protection of the consuming public

in the energy policy making processes, and formulation and analysis of policies, rules, and regulation relating to competition and consumer affairs. *See* 42 U.S.C. § 7133 (a) (7). The statute also provides for the establishment of an agency information administration and provides that the Secretary of DOE shall delegate to the administrator the responsibility for the gathering, analysis and dissemination of energy information. *See* 42 U.S.C. § 7135 (b). Finally, the DOEOA provides that the Secretary shall make an annual report to include a review and appraisal of the adequacy and appropriateness of the techniques, procedures and practices, including competitive and regulatory practices, employed by federal, state and local governments and non-governmental entities to achieve the purposes of the DOEOA. *See* 42 U.S.C. § 7267(5).

Taking all of the above objectives into consideration, it is easily discerned that the study required to be performed by DOE by the PMPA, see 15 U.S.C. § 2841, is well within the authority and powers granted to DOE by the DOEOA. Thus, in performing the study required by the PMPA, the Secretary is merely performing a function required of him under the DOEOA. Thus the subpoenas which make reference to the study required under PMPA set forth a valid purpose.

II

The authority to issue the subpoenas now challenged by the respondents is found in 42 U.S.C. § 7255 which provides:

> For the purpose of carrying out the provisions of this chapter, the Secretary, or his duly authorized agent or agents, shall have the same powers and authorities as the Federal Trade Commission under Section 49 of Title 15 with respect to all functions

> vested in, or transferred or delegated to, the Secretary or such agents by this chapter.

The Court concludes that the subpoena power is broad and would encompass the study required by the PMPA.

Respondents argue that the authority under Section 7255 is restricted to investigations and not studies since a similar restriction limits the Federal Trade Commission. See 15 U.S.C. § 49. In this Court's view, the authority granted under Section 7255 is the same as that granted by 15 U.S.C. § 49 without any limitation as to investigation. Section 7255 clearly provides that the subpoena power is provided to the Secretary, "[f]or the purpose of carrying out the provisions [of the DOEOA]". *See also*, S. Rep. No. 95-164, 95th Cong. 1st Sess., *reprinted in* [1977] U.S. Code Cong. & Ad. News 854, 904.

While concluding that the authority to issue the subpoenas is clearly set forth in the DOEOA, the Court notes that the authority contained in the FEAA, *see* 15 U.S.C. § 772(b), appears to be limited to those situations where organizations are required to make reports. Having found that the authority is contained in the DOEOA, the Court need not discuss the authority or limitations contained in the FEAA as they relate to these subpoenas.

III

Respondents also challenge the subpoenas as being invalid because DOE allegedly failed to follow its own regulations for resolving disputes over subpoenas and that it failed to comply with the Administrative Procedure Act (APA).

Respondents contend that 10 CFR § 205.8 applies to the issuance of the subject subpoenas and that since DOE did not follow the requirements of that regulation the subpoenas are unenforceable. That regulation sets forth

an administrative procedure for rulings on objections on motions to quash subpoenas. The argument is without merit since 10 CFR § 205.0 provides that the provisions set forth in the above regulation applies to those procedures set forth in 10 CFR Parts 209 through 214. Those sections relate to International Voluntary Agreements (Part 209), General Allocation and Price Rules (Part 210), Mandatory Petroleum Allocation Regulations (Part 211), Mandatory Petroleum Price Regulations (Part 212), Oil Import Regulations (Part 213), and Mandatory Canadian Crude Oil Allocation Regulations (Part 214). Furthermore, the Court finds no merit in the respondents due process arguments since the subpoenas issued only affect the respondents when the Court orders enforcement.

The respondents arguments made pursuant to the APA, specifically 5 U.S.C. §§ 552 and 555 are likewise found to be without merit.

IV

This Court is satisfied that the subpoenas were properly issued pursuant to the DOEOA for a lawful purpose, that the study for the purposes of PMPA is one which falls within the authority granted under the DOEOA, that the subpoenas are not burdensome or unreasonable in view of the information sought and the requirements of the PMPA [4] and that the understandable concern of the respondents respecting confidentiality of their records is met by the order which provides for at least 10 days notice before any documents must be produced.

Having carefully considered the arguments of the respondents, and having found those arguments without

---

[4] Respondents have failed to show that the subpoenas are burdensome or unreasonable. *See FTC* v. *Texaco, Inc.*, 180 U.S. App. D.C. 390, 555 F.2d 862, cert. den. 431 U.S. 974 (1977).

merit, the Court entered the Orders in each of the cases, directing enforcement of the subpoenas.[5]

Dated: January 14, 1980

/s/ John Garrett Penn
JOHN GARRETT PENN
United States District Judge

[5] In view of the Court's ruling on the merits, the various requests of the respondents for discovery and to dismiss the petitions are moot.

APPENDIX F

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Misc. 79-149

UNITED STATES OF AMERICA

v.

EXXON CORPORATION

Misc. 79-150

UNITED STATES OF AMERICA

v.

SHELL OIL CO.

Misc. 79-217

UNITED STATES OF AMERICA

v.

MARATHON OIL CO.

Filed Jan. 15, 1980

MEMORANDUM ORDER

This comes before the Court on respondents' motions for a stay of the Court's Order of December 17, 1979, pending appeal. In that Order, the Court granted the

petition to enforce subpoenas duces tecum issued to the respondents.

The guidelines for consideration the the [*sic*] respondents' request are found in *Virginia Petroleum Jobbers Association* v. *FPC*, 104 U.S. App. D.C. 106, 259 F.2d 921 (1958), and *Washington Metropolitan Area Transit Commission* v. *Holiday Tours, Inc.*, 182 U.S. App. D.C. 220, 559 F.2d 841 (1977). These are whether the respondents have made a strong showing that they are likely to prevail on the merits, that they would suffer irreparable harm if the stay is not granted, that the issuance of a stay would not substantially harm any of the other parties, and finally, where lies the public interest. 104 U.S. App. D.C. at 110, 259 F.2d at 925.

Viewing each guideline separately, the Court concludes that respondents have not made a strong showing that they will prevail on the merits. The Court has carefully considered the extensive briefs submitted in this case together with the arguments of counsel. Two separate hearings were held in these cases. The Court concluded that the subpoenas should be enforced and that the Department of Energy (DOE) has the authority to issue the subpoenas pursuant to 42 U.S.C. § 7255. Respondents have raised nothing in their motion for a stay pending appeal which would change the Court's conclusion.

With respect to the irreparable harm that the respondents might suffer, it falls within two categories. First is that, if the subpoenas are enforced, the respondents would be required to turn over information that they contend is confidential and which might affect their competitive position in the market if exposed to the public. The Court's order providing for ten days notice should make such a breach of confidentiality unlikely. Second, if they are required to comply with the subpoenas prior to the appeal, such action would effectively moot the appeal.

As to the possibility of substantial harm to the other parties and where lies the public interest, any harm to the petitioner would be that it may not be able to obtain the necessary information for the completion of the study under the Petroleum Marketing Practices Act (PMPA) and the completion of that study is presumably in the public interest.

"The Court is not required to find that ultimate success by the movant is a mathimatical [*sic*] probability, and indeed, as in this case, may grant a stay even though its own approach may be contrary to moveants' view of the merits". 182 U.S. App. D.C. at 222, 559 F.2d at 843. Here, the Court views the respondents' likelihood of success as far below 50%. Nevertheless, it has balanced the other factors in these cases and concludes that a stay, conditioned upon certain actions by the respondents, should be granted. Those other factors are that this is a case of first impression, that the parties can seek an expedited appeal, that respondents have agreed that they will cooperate with the petitioner in seeking an expedited appeal and that such should be done, that an expedited appeal would not unduely burden either side to this controversy since the cases have been fully briefed and argued, that the respondents, notwithstanding the pendency of the appeal, can forthwith begin to collect the requested information so as to be in a position to immediately turn that information over to the petitioner by a date certain or final resolution of the appeal in favor of petitioner, if that is the case, and that while the petitioner may require the information in order to complete the study under the PMPA, DOE has already received similar information from other oil companies as a result of their voluntary compliance, those companies including Atlantic-Richfield Co., Standard Oil of Indiana, the Gulf Oil Companies, Texaco, Inc., Clark Oil and Refining Corp., and Ashland Oil Co.

In view of the above, it is hereby

ORDERED that the Court shall grant the respondents' motion for a stay pending appeal on the following conditions:

1. Respondents shall cooperate with petitioner in seeking to have the appeal heard on an expedited basis.

2. Respondents shall immediately begin to collect the necessary information and be prepared to turn that information over to the petitioner on or before February 15, 1980, or on the date of the decision of the Court of Appeals, if that court affirms the order of this court, whichever is later.* Respondents shall advise this Court and the Court of Appeals that they are in compliance with this condition.

Dated: January 14, 1980

/s/ John Garrett Penn
JOHN GARRETT PENN
United States District Judge

---

* This requirement is similar to and in lieu of the posting of a bond pending appeal. Respondents have represented to the Court that they would begin the process of collecting the information although there is a dispute as to when such information can actually be furnished. This Court concludes that that information should be available no later than February 15, 1980.

APPENDIX G

[SEAL]

Department of Energy
Washington, D.C. 20545

February 2, 1979

A. M. Minotti, Esq.
Shell Oil Company
One Shell Plaza
Houston, Texas

RE: Subpoena of January 22, 1979 to Mr. J. F. Bookout, President, Shell Oil Company

Dear Mr. Minotti:

This letter will confirm our telephone conversation of this afternoon. This Office has been advised that 10 CFR Section 205.8 does not apply to the above-referenced subpoena. We, therefore, agree that Shell has waived no rights if it does not comply with the 10-day filing requirement contained in 10 CFR Section 205.8(h)(1).

Sincerely yours,

/s/ Frank Lipson
FRANK LIPSON
Policy Analyst
Office of Competition

APPENDIX H

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
WASHINGTON, D.C.

SUBPOENA

TO: Mr. J. F. Bookout, President, Shell Oil Company, One Shell Plaza, Box 2463, Houston, Texas 77001.

YOU ARE HEREBY REQUIRED TO APPEAR before William C. Lane, Jr., an officer of the Department of Energy, or his designated representative, at Room 7A-142, 1000 Independence Avenue, S.W., Washington, D.C. on the 2nd day of March, 1979 at 9:00 A.M. to provide information for use in the preparation of a study required by Title III of the Petroleum Marketing Practices Act (PL 95-297).

YOU ARE FURTHER REQUIRED TO bring with you and produce for examination at the time designated above the documents and material specified in Attachment "A".

FAILURE TO OBEY THIS SUBPOENA MAY RESULT IN REFERRAL TO A UNITED STATES DISTRICT COURT FOR ENFORCEMENT.

Issued this 22d day of January, 1979 under the authority of Section 13(e) of the Federal Energy Administration Act of 1974 and Section 645 of the Department of Energy Organization Act.

Signature William C. Lane, Jr.
Director
Office of Competition
Policy and Evaluation
Department of Energy

ATTACHMENT A

INSTRUCTIONS

1. Definitions

(a) The term *domestic* means within the United States.

(b) The term *document* means writings of any kind, however produced or reproduced.

(c) The word *or* is inclusive, referring to any one or more of the disjoined words or phrases.

(d) The term "*your company*" means the company named on the face of the subpoena, and all firms in which it owns an equity interest greater than 50 percent that are engaged in whole or in part in the production, refining, or transportation of crude oil, or the transportation, marketing, or distribution of motor gasoline, within the United States or any part thereof.

2. Complete Documents

Where a document includes any material called for by the subpoena, the subpoena requires the production of the entire document, including all attachments, cover memoranda, appendices, etc., even if only part of the document is responsive to any specification.

3. Claims of Privilege

Any document responsive to any of the specifications which is not produced by reason of any claim of privilege, statute, or regulation shall be identified by a short description of each such item, including the title, the type of document, the subject matter, the name, address and title of its author(s), the names and addresses of persons to whom copies were furnished, the date of preparation,

and a short statement of the reasons which in your opinion justify withholding it.

4. Specification Identification

Each document shall be identified as to the specification or specifications to which it is responsive.

5. Limitations of Document Search

Provide all documents described in the Specifications below which were prepared by, or received by, any of the following individuals or groups within your company during the period January 1, 1970 to the date of this subpoena:

(a) The Board of Directors or any committee thereof;

(b) the president or chief executive officer;

(c) the senior management committee;

(d) any committee or individual with the authority to approve capital expenditures of $3 million or more;

(e) the vice president in charge of domestic refining (or, if there is no such vice president, the highest level employee in the company whose primary responsibility is domestic refining);

(f) the vice president in charge of corporate planning (or, if there is no such vice president, the highest level employee whose primary responsibility is corporate planning).

(g) the vice president in charge of domestic marketing (or, if there is no such vice president, the highest level employee whose primary responsibility is domestic motor gasoline marketing).

SPECIFICATIONS

(1) All documents that evaluate, analyze, or report on the feasibility or desirability of evaluating separately the financial performance of different functional levels within your company's petroleum operations.

(2) All documents that evaluate, analyze, or report on the financial performance or projected financial performance of any functional level or comparison of functional levels within your company's petroleum operations.

(3) All documents that evaluate, analyze, or report on plans for the domestic test marketing of motor gasoline.

(4) All documents that evaluate, analyze, or report on the domestic marketing of motor gasoline under secondary brand name(s).

(5) All documents that evaluate, analyze, or report on the expansion or contraction of the geographic area (within the United States) in which motor gasoline is marketed under brand name(s) owned by your company.

(6) All documents that evaluate, analyze, or report on motor gasoline market shares of your company or any other company in any State or metropolitan area.

(7) All documents that evaluate, analyze, or report on the effects of the Department of Energy price or allocation regulations (10 CFR Parts 210, 211, and 212) on the domestic marketing of motor gasoline.

(8) All documents that evaluate, analyze, or report on the financial aspects of proposals or plans to build,

expand, close, purchase, or sell any domestic or Caribbean refinery.

(9) All documents that evaluate, analyze, or report on the financial aspects of proposals or plans to build, or to expand the capacity of, any domestic crude or product pipeline, or purchase or sell any interest in any domestic crude or product pipeline.

(10) All documents that evaluate, analyze, or report on the efficiency of, profitability of, or competitive advantages or disadvantages of, the domestic refining or motor gasoline marketing operations of any firm other than your company.

(11) All documents that evaluate, analyze, or report on your company's plans for domestic marketing of motor gasoline through company-operated stations.

(12) All annual or periodic domestic motor gasoline marketing plans and all documents that evaluate, analyze, or report on such plans.

APPENDIX I

SENATE DEBATE ON TITLE III OF THE PETROLEUM MARKETING PRACTICES ACT

[124 Cong. Rec. S 7149 - 7158 (Daily ed., May 9, 1978).]

[S 7149]

PETROLEUM MARKETING PRACTICES ACT

The Senate continued with the consideration of the bill.

Mr. DURKIN. Mr. President, I ask unanimous consent that Mike Harvey of the Committee on Energy and Natural Resources, Henry Banta, Tom Susman, of Senator KENNEDY'S staff, and Richard Arnold of Senator BUMPERS' staff be granted the privilege of the floor during debate on the pending bill. I make the same request for Linda Gold as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

UP AMENDMENT NO. 1307

Mr. BUMPERS. Mr. President, the pending amendment is amendment No. 1809 introduced by Mr. MARK O. HATFIELD and me. I send to the desk a modified version of that amendment.

THE PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes unprinted amendment numbered 1307 as a modification to amendment No. 1809.

Mr. BUMPERS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

* * * * *

[Text of Title III as enacted is omitted.]

[S 7150]

The PRESIDING OFFICER. The amendment will be so modified.

Mr. BUMPERS. I ask unanimous consent that the Senator from Washington (Mr. JACKSON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Alaska (Mr. GRAVEL) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, this amendment reflects a compromise on the issue of title III, which is pending before the Senate. It is a compromise which deals with the most controversial part of the bill. I believe that the managers will be willing to accept it.

The compromise, very briefly, will require the Secretary of Energy to study the subsidization issue fully. Full provision is made for public involvement in the study. The Secretary must send his study, together with appropriate legislative recommendations, to the Congress within 18 months after enactment.

In addition, this amendment establishes a procedure where the President may develop interim measures to protect the competitive viability of the marketing sector of the petroleum industry if he considers them necessary and appropriate. Congress would have 90 days to act affirmatively on his proposal.

Any interim proposals which might be accepted by the Congress would not extend beyond 18 months from the date of their affirmation by Congress.

Mr. President, if no interim measure is submitted to Congress, then, of course, at the end of 18 months from the date of enactment of this bill the Secretary shall submit legislative recommendations to Congress, if he finds them to be necessary to protect the people we are trying to protect under the present legislation. If the President determines that interim measures are necessary, Congress will have 90 days in which to affirm the recommendations of the President under the procedures set forth in section 523(a) of the Energy Policy and Conservation Act.

I think it is an excellent compromise, and I hope all my colleagues will see fit to support it.

Mr. President, I believe that adoption of this amendment will help clear the way for enactment of H.R. 130, which will provide important protection to wholesalers and retailers of gasoline from arbitrary termination of supply.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Tennessee (Mr. BAKER) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Jim Fleming, of my staff, have the privilege of the floor during the debate and vote on H.R. 130.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOMENICI. Mr. President, will the Senator yield 5 minutes to the Senator from New Mexico?

Mr. BUMPERS. I am happy to yield 5 minutes.

Mr. DOMENICI. I thank my good friend.

Mr. President, I would like to take several moments to specifically address the issue of title III, and also to make several comments on what I am told will be forthcoming amendments to title III.

Congress has moved on several occasions to protect independent segments of the petroleum industry. During

the oil embargo, Congress and the executive branch protected independent refiners through the entitlement program. Now the dealers are receiving protection under title I of the dealer day in court. Title III provides comparable protection for the independent marketers—jobbers. Jobber concerns stem from a changing oil market. Their principal concern is that integrated oil companies, both major and independent refiners, are subsidizing their marketing operations with revenues earned upstream.

On a national basis, this concern is borne out by the decline in total retail outlets over the past several years, which have been accompanied in turn by an increase in salary operated stations by refiners. Major refiners have increased their sales from salary operated stations by 55 percent while independent and small refiners have increased their salary operated sales by 50 percent. Overall, refiner owned and operated stations have increased their marketshare by one-third.

Refiner comments on title III admit that a margin of 3 to 5 cents a gallon is appropriate between a jobber purchasing gas at the refinery—at the rack—and the sale price at the dealer outlet. The following table gives examples of what can only be subsidized pricing by refiner operated outlets. I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Refiner: Location	Jobber price	Price to dealer (DTW)	Refiner direct price
Marathon: Meridian, Mich.	55.02	58.19	56.19
Powerline: Redwood City, Calif.	52.45	—	52.9
Ashland: Charlotte, N.C.	51.703	—	51.9
Champlin: Oklahoma City		53.56	51.91
Clark: Alliaoca, Ohio	52.7	—	51.91

Mr. DOMENICI. Mr. President, the most recent evidence available is some January 1978 figures from Kansas where Champlin Petroleum is selling on the street at 0.519 and selling to its jobbers for 0.5175. This is a 0.0015 difference, a situation that begs explanation.

Title III is predicated on a question: Why would integrated oil companies sell below cost? Title III answers that as a general rule below cost sales are predatory per se unless: They result, in fact, from proven cost savings; they are designed to meet competition; or they are provided to enter a new market.

The basic elements of title III are as follows:

First. Section 302 prohibits subsidization.

Second. Section 303 makes price data available to independent marketers.

Third. Section 304 provides for defenses based on cost, meeting competition, or penetrating a new market.

Fourth. Section 305 switches the burden of proof once the jobber has proved below cost sales.

Fifth. Section 306, the enforcement section, provides for civil fines, and a private right of action for treble damages.

Sixth. Section 307 is the definitions section.

I should like to stress that in fashioning title III, largely at my urging, I and other committee members made a variety of changes designed to meet what we saw as legitimate criticisms.

Nevertheless, several policy arguments have been raised against the bill. These include:

First. The oil industry does not know its costs: Baloney. How then does the industry know if it is making a profit? How does it know whether to make more or less of a given product? To open or close stations? The following quote from Champlin to one of its Kansas lessees should help lay the matter to rest as to whether the industry knows its costs:

Champlin Petroleum Company regrets to inform you that it has determined that it is no longer economic for it to operate the Champlin Service Station located at U.S. Highway No. 56 and I-35 West, McPherson, Kansas, under the present lease agreement with you.

This issue of costs raises a more fundamental question. My opposition to divestiture is based on the belief that integrated oil operations generate efficiencies and economies of scale. In simple terms: they lower costs. Now the industry tells us they cannot document this. The industry cannot have it both ways. Either the cost savings of integrated oil operations can be documented or they cannot. And if they cannot, either they should be, or the industry should be broken up.

Second. The Domenici title III will comulicate [*sic*] antitrust litigation: This is the last straw. Antitrust litigation has been ponderous and incomprehensible for decades. The present FTC case against the industry is an example. The FTC filed its complaint in 1973. In 1975, its first subpena was squashed. In November of 1976, it issued a "minisubpena." This modest subpena ran to 1,300 pages for each of the 8 major companies. The industry responded with somewhere between 500,000 and 1 million pages. And what type of information did this "minisubpena" call for. Just basics. Organization charts, holdings, and so forth. A new subpena has now gone out asking for more information. Five years after its start, the FTC case is in the early, I repeat, early stages of discovery. Urgings by oil industry lawyers that independent marketers not confuse the crystalline verities of antitrust litigation remind one of the nursery rhyme poem:

[S 7151]

Will you walk into my parlour,
said the spider to the fly
Tis the prettiest little parlour
that ever you did spy.

Oh, no, no, said the little fly,
to ask is in vain.
For who goes up your winding stair,
can ne'er come down again.

In short, independent marketers believe they serve an important competitive function. If they are to be driven from the marketplace, it should be because of increased efficiency, not because of the market power of the big fish who live upstream. All they ask is a chance to compete fairly. This hardly seems too much to ask.

Mr. President, at this point I would like to spend several minutes discussing the compromise that has been worked out at the 11th hour on title III. As my remarks indicate, I am satisfied with the present title III. It is a finely tuned solution to the problem at hand. It does not establish another wave of regulations. It simply gives the little guy his day in court.

It is apparent, however, to the proponents of title III that there is not support for the present title III. This lack of support arises in some cases from a legitimate concern over the lack of data at hand. Although I find this argument unpersuasive, I admit its strength.

Now, Mr. President, I am not one to attack bigness for bigness' sake. I am also not one that believes that the oil industry is evil incarnate. I do, however, believe that this biggest of American industries does the Nation a disservice when they refuse to allow the little guy a chance to make his case in court.

I feel a study is like prescribing aspirin for a severed jugular. Personally, I believe we should attend to the business at hand: Protecting the independent marketers. I do not believe their livelihood should be sacrificed while we await the results of a study. I believe the need for action is now.

Accordingly, I join this compromise not out of conviction, but rather because I see it as the only way that the independent marketers can keep their case before the

Congress. To be frank, a setback here might doom their cause forever. I see this amendment as a way for the independent marketers to establish a more complete factual case. In short, I see it, in military terms, as a way for them to keep an army in the field so that they can return to fight another day.

Mr. President, the dealer's day in court bill would have come to the Senate with two titles that basically directed their attention to trying to protect the independent filling station operator as we move through this energy crisis and these difficult, changing times. I certainly support that; that is needed.

As that evolved during the last year or year-and-a-half, it became quite obvious that there was another group of independent businessmen related to the delivery of petroleum and petroleum products—sometimes called the independent jobbers, sometimes called the independent marketers, sometimes called independent wholesalers—who indeed were becoming the victims of both major refineries and refineries that own substantial numbers of filling stations, by virtue of the fact that it appeared, and the facts seemed to indicate, that the refiner would take upstream profits and put them into downstream cut-rate prices at the filling station level, while at the same time, in many instances, selling to their own jobber in between for a higher price. If this were happening within an integrated company, then most certainly it also was happening in the field at large, where a major refinery or a large refinery was selling at subsidized prices downstream, having earned the profits upstream in the refinery, and a jobber or independent distributor was caught in the middle, paying a higher price for the same product.

It was my opinion that that kind of marketer, who, by definition, is independent, was necessary in the American marketplace system, that we usually ask them to take care of the distribution system where it was most

expensive, in the rural parts, where they had to drive large distances to serve the filling stations to which they sold. It appeared from the facts that they were going to be gobbled up and put out of business by this process.

So it was my amendment in committee that gave a private cause of action to this kind of independent jobber or distributor to sue the refinery, if he could prove that there was such a subsidization downstream by virtue of the profits upstream in the integrated system.

Since our antitrust laws do not help this kind of person, we can imagine an independent jobber using the existing antitrust laws of our Nation to try to take on this kind of situation, with all the truth that is required and the resources that are required.

So my amendment would say that if you can prove the differential in price, let the burden shift, and see if the big one can disprove that it is trying to control the market.

I acknowledge that my amendment to title 3, which was adopted by a slim margin in committee—8 to 7—would have been defeated here today. It is a new and different approach to create a cause of action of this type based only upon the evidence that I required in my amendment. So I have most willingly joined the distinguished Senators who bring this substitute. It will not do the job as well, but it will begin an investigation of the facts, to see if what we are saying is happening and to make recommendations, if they are happening, as to how to cure it.

This amendment will provide a remedy, by virtue of Congress being able to adopt the recommendations in an expeditious manner, if recommendations are forthcoming. During this study, and as a result of it, this would protect this middle-man independent in the scheme of integration that is going on in this country, where they are finding less and less of an opportunity to survive.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. Mr. President, will the Senator yield me 1 additional minute?

Mr. BUMPERS. I yield 2 minutes to the Senator.

Mr. DOMENICI. Mr. President, I generally have not been one who wants to put restrictions on the private sector. I have not been one who takes on bigness simply because it is big. I take them kind of one at a time and look at them. But I am firmly convinced, and the evidence in my statement convinced me, that if we do not do something, there would be no more independent marketers or jobbers in the delivery system of petroleum products in this country.

I hope those in the industry will understand that the Bumpers-Hatfield-Domenici substitute amendment today is a serious one; that in a year or so we will find the evidence reversing itself, and perhaps we will never have to do anything else; but, if not, that we find a way to cure this approach which, in my opinion, is definitely committed in the direction of monopoly; in the direction of putting the little independent out of business.

Mr. President, I ask unanimous consent that a statement by Senator MARK O. HATFIELD be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARK O. HATFIELD

I am pleased to join with my colleagues in support of the modified version of amendment 1809.

This compromise proposal will require the Secretary of Energy to study the subsidization issue fully. Full provision is made for public involvement in the study. The Secretary must send his study, together with appropriate legislative recommendations, to the Congress within 18 months after enactment.

In addition, this amendment establishes a procedure where the President may develop interim measures to protect the competitive viability of the marketing sector of the petroleum industry if he considers them necessary and appropriate. Congress would have 90 days to act affirmatively on his proposal.

I believe that adoption of this amendment will help clear the way for enactment of H.R. 130, which will provide important protection to wholesalers and retailers of gasoline from arbitrary termination of supply.

I urge my colleagues to support this amendment and to adopt this legislation.

Mr. BUMPERS. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague from Arkansas for his courtesy.

Mr. President, we have searched long, with our colleagues, the ramifications of title III in this bill. We have written to the Department of Justice as well as to the Federal Trade Commission. We have letters from them which have not been included in the hearing record before our committee.

In essence, both the Department of Justice and the Federal Trade Commission have opposed title III as written. It is their considered opinion that, in a word, this title III is anticompetitive, that it will not achieve the goals that I know its sponsors hope very much might be achieved.

[S 7152]

Mr. President, the amendment is acceptable to our side. This is a reasonable compromise, and we will anxiously await the results of the study, so that we can deal in a rational way with the subsidization issue if it becomes necessary.

I am prepared to yield back the remainder of my time, if the distinguished floor manager of the bill is willing to

do so. But I withhold that, awaiting whatever signal the Senator from New Hampshire may want to give.

Mr. DURKIN. I thank the Senator from Wyoming.

Mr. President, we have a serious problem. I am not sure the original language in title III solved that problem. Someone is going to have to face up to it. We hope that the study language will enable us to come to better terms with what I consider to be a growing problem, which many of us consider to be a growing problem.

I am willing to accept the amendment of the Senator from Arkansas, as modified.

Mr. HANSEN. I am willing, then, to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

Mr. HANSEN. I withhold that.

The PRESIDING OFFICER. Until the time on this amendment has expired, an amendment to it is not in order.

Mr. KENNEDY. I understood that. I thought the time had been yielded back.

The PRESIDING OFFICER. The time had not been yielded back.

Mr. BUMPERS. Mr. President, what is the remaining time on the amendment?

The PRESIDING OFFICER. The Senator from New Hampshire has 28 minutes remaining and the Senator from Arkansas has 17 minutes remaining.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. If the amendment of the Senator from Massachusetts is an amendment to a modified

amendment, the Senator from Arkansas submitted, which is now the pending business, is it not an amendment in the third degree and, therefore, out of order after all the time is yielded back?

The PRESIDING OFFICER. The committee amendment is considered original text for the purpose of amendment. The amendment of the Senator from Arkansas, therefore, is in the first degree and the proposed amendment of the Senator from Massachusetts would be in the second degree.

Mr. KENNEDY. Mr. President, I am sure that is what the Senator from Arkansas intended.

[Laughter.]

Mr. BUMPERS. I certainly do not want to cut off the time the Senator from Massachusetts might have.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Mr. President, how much time is there on the amendment to the amendment?

The PRESIDING OFFICER. There will be one-half hour on an amendment to amendment, equally divided. But the second amendment has not been proposed yet.

Mr. BUMPERS. Mr. President, just so the record is straight, I am prepared to yield back the remainder of my time if the floor manager is in agreement in order that Senator KENNEDY may go ahead and offer his amendment and let the time start running on his amendment.

Is the floor manager prepared to yield back the time?

Mr. DURKIN. I am prepared to yield back the time.

The PRESIDING OFFICER. The Senator from New Hampshire yields back time.

Mr. DURKIN. He may call up his amendment at this time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. How much time will be allotted? Is it a half-hour on this amendment to be equally divided?

The PRESIDING OFFICER. Fifteen minutes to the Senator from Massachusetts and 15 minutes to the Senator from New Hampshire.

Mr. KENNEDY. I hope since it is a worthy amendment that it will be accepted.

Mr. BUMPERS. Mr. President, in the unlikely event it is not a worthy amendment and universally acceptable, I ask unanimous consent that the 30-minute time limit be divided equally between the proponent, Mr. KENNEDY, and myself.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. If the manager of the bill has no objection, I have no objection.

Mr. BUMPERS. We are getting into a fox watching the henhouse type of situation here, Mr. President, because I think the Senator from New Hampshire favors this amendment.

Mr. KENNEDY. Whose time is this charged to, Mr. President?

The PRESIDING OFFICER. Who yielded time?

Mr. KENNEDY. Mr. President, I do.

Mr. BUMPERS. I made a unanimous-consent request.

Mr. DURKIN. Mr. President, reserving the right to object, I think we should proceed with the normal course, that the Senator from Massachusetts will offer his amendment, and I will be glad to yield to my good friend from Arkansas time to rebut in the event he does not care to accept this amendment.

Mr. BUMPERS. That is fine with me, Mr. President.

The PRESIDING OFFICER (Mrs. HUMPHREY). Does the Senator withdraw his request?

Mr. KENNEDY. Madam President, as I understand, I have 15 minutes, and I wish to yield what time I might need.

The PRESIDING OFFICER. The Senator from Arkansas has made a unanimous-consent request. Does he withdraw it?

Mr. BUMPERS. Madam President, I withdraw the request.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 1308

Mr. KENNEDY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1308.

On page 3, at the end, insert the following new section:

"SEC. 802. Any energy information acquired, collected, or held by the Department of Energy shall be subjected to the requirements of Section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, Public Law 93-319."

Mr. KENNEDY. Madam President, this amendment is very simple. It basically tracks the actions which have been taken by the Senate on previous occasions. It makes energy information available to certain other agencies of the Federal Government.

Under the amendment which is before us, Madam President, a study will be done by the Department of

Energy. The whole issue to be studied is one which is fundamental to this particular legislation; it is the competitive position of the independent retailers and marketers and the extraordinary economic power which has been used to squeeze them out of this industry.

So it is basically an issue of competition, and the agencies of our Government which are concerned about the competition happen to be the Federal Trade Commission and the Department of Justice, and not necessarily the Department of Energy.

Under the amendment which I have offered to the amendment of the Senator from Arkansas, no new authority is given to any of the agencies. The Department of Justice on its own can get the same information that is collected by the Department of Energy. The Federal Trade Commission can also get the same information.

All we are saying is if we are so concerned about competition, so concerned about the little guy, so concerned about the corner gas station, then let us say if the Department of Energy is going to get that information, they will share it with those agencies of Government that have the primary responsibility for protecting the little guy, the corner gas station, and the independent segment of our society.

It is not very complicated. It is not very complex. The Senate has already gone on record in support of this amendment last year in the coal conversion bill. It was dropped in conference. This body already voted for this amendment last year and suddenly when we have a bill down here that really is talking about dealing with competition, then there is a reluctance to set information and share it with the other departments of Government.

In this particular amendment, Madam President, we have the confidentiality provisions that are spelled out under

section 11(d) to insure that this information will not be leaked and we have the other provisions for the protections of confidentiality.

Madam President, I just wonder why it is that last year the Senate was prepared to accept the sharing of information between governmental agencies, and now we in the Chamber are refusing to say, if the Department of Energy gets data, it must share it with the Department of Justice or the Federal Trade Commission.

That is, Madam President, just a position which I find difficult to justify, particularly when we are talking about a fundamental theme of this legislation which is supposed to be competition and the protecting of small independent marketers.

So, Madam President, a final point that I make is that the Department of Justice and the Federal Trade Commission have repeatedly stated their need for the energy data. President Carter said that energy data analysis is the keystone of the administration's approach to the formulation of competition policys in the energy industry. I certainly hope that the amendment will be accepted.

I reserve the remainder of my time.

The PRESIDING OFFICER. The galleries will be in order.

Who yields time?

Mr. BUMPERS. Madam President, will the Senator from New Hampshire yield?

Mr. DURKIN. I am glad to yield 10 minutes to the Senator from Arkansas.

Mr. BUMPERS. Madam President, the amendment the Senator from Massachusetts is proposing has the effect of making certain that this study will not be completed in 18 months. It will not be completed in 18 years.

The purpose of the study in the modified amendment I offered is to determine if major oil companies are using

upstream profits at the refinery level or at the marketing level to subsidize their company-owned stations to the detriment of independently owned stations.

To give you some idea of how bad title III was before we offered this modified amendment, both the Justice Department, the Antitrust Division, and the Federal Trade Commission were unalterably opposed to title III. Now, the fact that they were opposed to it is not totally compelling to me, but it does throw up a red flag to me and say, "Wait just a minute. If they are opposed to it on the grounds they set out, let us try to help the small independent retail service stations in the country, but let us do it in an orderly, workmanlike manner, and let us not try to prove who hates major oil the most."

Now, the Senator from Massachusetts knows I have never been guilty of being considered a close associate of major oil companies in this country. I am vitally concerned about small business of all kinds. I am especially concerned about small independent service station operators, who may indeed be facing unfair competition from major oil companies or any oil company, that maybe using upstream profits to unfairly compete and drive independents out of business.

So what are we doing here? We are saying, "Let us allow the Secretary of Energy to make a determination as to whether or not this is a problem." Why on earth would we stand here and try to pass a law when there is no manifestation that the law is needed? That is what has got people in this country upset now.

What would the Senator from Massachusetts' amendment do? Why, he says, "Let us permit the Department of Energy to do this study subject to a little old provision here called section 11(d) of the Energy Supply and Environmental Coordination Act of 1974."

What does that do? It says the Secretary of Energy may not share this information. He must keep it confi-

dential except, and then everybody on God's green Earth is named in section 11(d).

He has to keep it confidential except that he will give it to any delegate of the Federal Energy Administration for the purposes of carrying out this act; he will give it to the Attorney General; he will give it to the Secretary of Interior; he will give it to the Federal Trade Commission; he will give it to the General Accounting Office, and those are the only ones named he has to share this information with. That is what I call confidentiality. [Laughter.]

Madam President, I have the same feelings the Senator has about getting this kind of information into the hands of the Antitrust Division of the Justice Department. But do you know something? They can get the information today. They do not have to have this act. They can get it today.

I want the Federal Trade Commission to have it, because the Federal Trade Commission is charged with the responsibility of promoting competition in this country to preserve the free enterprise system. But the Federal Trade Commission can go and get it today, they do not need this bill. So what are we doing? We are cluttering up the books.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. BUMPERS. In just one moment.

If you want to make sure that the Secretary of Energy gets no cooperation in carrying out the terms of this amendment, just adopt the amendment of the Senator from Massachusetts, and I promise you that hell will freeze over before they will voluntarily give one ounce of information, because they know it is going to be disseminated to everybody under the shining Sun.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. DURKIN. Is the thrust of the Senator's opposition that he does not think the Department of Energy should give that information to the Attorney General, to the Federal Trade Commission, to the General Accounting Office? They are not hostile entities, are they? They are part of our Government charged with the responsibility to enforce the law. Why the fear of giving them the information?

Mr. BUMPERS. I have absolutely no objection to the Attorney General or the Federal Trade Commission or the General Accounting Office or anybody else getting the information, but we are trying to help the small dealer. If you adopt the amendment of the Senator from Massachusetts, you are assuring yourself that the Secretary of Energy will not get cooperation. The oil companies will know it is going to be shared with all these people, possibly used to prosecute them. They have been through this before, they know how the Federal Government works, and they know if this information is disseminated and anybody can possibly distort it to file some kind of prosecution against them, they will do it.

What I am saying is we are setting an 18-month time limit here, and I promise you the Secretary of Energy will not get into the front door in 18 months if this amendment is adopted.

Mr. DURKIN. But does not the Senator's opposition go to the principle that you can collect the information but you cannot use it?

Mr. BUMPERS. Absolutely not. If the Federal Trade Commission has any information to indicate that unfair competition is being perpetrated by the majors in violation of the criminal laws of this country, they ought to go after the information and prosecute them.

Mr. DURKIN. One further question: What is the position of the Secretary of Energy on this matter?

Mr. BUMPERS. I do not know the position of the Secretary of Energy on this amendment by Senator KENNEDY.

Mr. HANSEN. Mr. President, if the Senator will yield, I will be happy to tell him. The Secretary of Energy opposes this amendment.

Mr. DURKIN. That is the best argument I have heard for it yet. [Laughter.]

Mr. KENNEDY. Madam President, how much time do I have?

The PRESIDING OFFICER. The Senator from Massachusetts has 10 minutes.

Mr. KENNEDY. I yield myself 5 minutes.

I have heard convincing arguments from my good friend from Arkansas before, and I am usually very much carried away with the nationality of his dialog and debate.

But this particular argument he makes in opposition to this amendment fails to meet his usual standard of persuasiveness.

If you are talking about make-work for lawyers, you are talking about the Bumpers position. All those small independent outlets have to respond, under the Bumpers amendment, not only to the Department of Energy but to the Department of Justice and to the Federal Trade Commission.

We are saying if you collect it once, Mr. Local Gas Dealer, why are you going to have to answer all those paper forms again, because they have got the power to get it today?

Under the Bumpers amendment, they are going to have to go out there, each of those particular departments, and get that information. It is make-work for the lawyers.

We are hearing those words rattled around: "harassment of American business." Here we are threatening the har-

assment of the smallest segment of American business.

The Senator from Arkansas points out or asks who is going to get all this information? The Department of Justice, the Department of Energy, the Federal Trade Commission, the GAO. Interesting. Add those together and what do you get? The Congress of the United States and the antitrust divisions of this Nation that are committed toward competition. Not a bad group—the American people, their elected representatives, and those who are charged with maintaining competition. Those are the people that are getting the information. Under the Bumpers amendment, if the Department of Energy gets the information, it does not even share it with the Congress of the United States. Yet under his particular amendment it gives the President the power to make recommendations for interim relief.

Do we get the information then? No. Does the Federal Trade Commission get the information? No. Does the Justice Department get it? No.

It just does not make any sense, Madam President, particularly when this body has gone on record, as we know, that it has been the failure of Congress to get intelligent, accurate information that has been at the heart of the inability to fashion and develop an adequate energy policy for this Nation to meet the needs of both producers and consumers alike.

We have not been able to get that information, and here we are in 1978 still saying, "Well, we have to oppose this amendment, because if we get a little information we want to keep it all nice and together." We want to do that so that the other agencies of Government cannot get it.

It does not make any sense in logic or rationality. Beyond that it does not make any sense in terms of energy

policy; and third, it does not make any sense in terms of trying to protect the legitimate interests of the people we are attempting to protect, and that is the small and independent firms in the oil and gas industry.

I withhold the remainder of my time.

Mr. DURKIN. Mr. President, will the Senator yield for a question? Was not this very same amendment part of the Coal Conversion Act?

Mr. KENNEDY. The Senator is absolutely correct. It was passed and accepted without dispute. That is why I felt some degree of hope.

Mr. DURKIN. What concerns me is the statement of the Senator from Arkansas that it could take 18 years to get the information.

If my memory serves me correctly, during the conference on the coal conversion bill, this is one of the things that JOHN DINGELL recommended. So if we have a conference, JOHN DINGELL will be chairman of the House conferees, and I think he will be as amenable to the prospect in this conference as in the conference on the coal conversion bill, and it will not slow down the bill and in fact will hasten the bill on its way to enactment and to the President's desk.

I urge that we accept the amendment.

Mr. KENNEDY. I thank the Senator.

Madam President, I would like to point out that both Mr. Shenefield, the Assistant Attorney General of Antitrust, and Mr. Doherty, the FTC's Director of the Bureau of Competition, have testified before the Antitrust Subcommittee that they cannot get data from the Deparment of Energy, and they have told us that this is true even today.

Mr. HANSEN. Madam President, will the Senator from Arkansas yield me one-half minute?

Mr. BUMPERS. The time is not mine. It belongs to the floor manager.

Mr. DURKIN. Madam President, I yielded the Senator from Arkansas 10 minutes. I do not believe he used all that time.

Mr. BUMPERS. How much of the 10 minutes did I use?

The PRESIDING OFFICER. The Senator from Arkansas used 5 minutes.

Mr. BUMPERS. In that case, I yield the Senator from Wyoming 1 minute.

Mr. HANSEN. Madam President, I would point out to my colleagues that the Energy and Natural Resources Committee is considering the energy information issue as a part of the Department of Energy authorization bill.

We agreed to do this during the conference on the coal conversion bill. Last week, I asked the committee staff to prepare recommendations so that we can act upon it.

I would suggest that the amendment of the Senator from Massachusetts is irrelevant to the issue before us.

I would also state that the administration is opposed to this amendment. They believe that the amendment would make it difficult to collect energy information. It goes much further than the study before us and would apply to all information.

I quote from the statement of the Energy Administration Service, headed by Mr. Lincoln Mosher. He says:

> Two of the Federal Trade Commission's bureaus nicely illustrate the same problem. The Bureau of Economics operates among other things, the Line of Business reports, essential to understanding concentrations and profits within particular industrial sectors. That Line of Business reporting system is intended to promote understanding of particular industries, otherwise strongly obscured by the cross-industry aggregation of revenues and outlays in the operating statements of conglomerates. The product of the Line of Business reporting system is the abil-

> ity to follow profitability, concentration and, by inference, the competitive status of particular industries, not individual companies. Although the information has been furnished by individual companies, the product is an understanding of whole industries. A second bureau in the Federal Trade Commission is the Bureau of Competition. Its program is, doubtless, informed by industry-wide statistics like those coming from the Line of Business reports. But to perform its enforcement and prosecutorial functions the Bureau of Competition must have individually identifiable company data.

In a word, the Department of Energy Information Service opposes the amendment by the Senator from Massachusetts.

I thank the Senator from Arkansas for yielding.

Mr. BUMPERS. Madam President, along the lines of the comments of the Senator from Wyoming, here is what happened when the Federal Power Commission sought all kinds of information from the energy companies of this country on what they called Form 40. Form 40 was tied up in court for years, because we were doing what the Senator from Massachusetts is asking us to do now. The energy companies simply were not going to release that information voluntarily; they were not going to release it until after a court told them to.

If we adopt this proposal, we are saying to the oil companies that we are trying to prove a point that we do not like what they are doing. I will stand out on the Capitol steps and denounce the oil companies with the Senator from Massachusetts as loudly as he wants to, but that will not help the small independent dealers in the country.

What we are doing is calling them in and saying, "We are just going to ask you a few simple questions; don't worry about the sheriff and the prosecuting attorney,

they are just sitting here wanting to listen in, but you be as truthful as you can."

Then if they ask, "What if we tell you something that will be incriminating," we say, "Well, that could get a little hairy"; we are saying, "We cannot guarantee that you will not get in trouble, but don't worry about all these people sitting around that could prosecute you."

I will guarantee you we will be back here in 18 months without one scintilla of information. All the small dealers will still be going broke, nobody will know why, and we will not be able to do anything about it.

Madam President, on most tax matters I agree with the Senator from Massachusetts. But when we are in a time constraint of 18 months for the study, I say that we will not be able to get the information. If you want to bring the country down on your head to prove a point, the Senator's amendment is the greatest thing since night baseball. But if we are going to try to help the small dealers, the Senate should reject the amendment and pass something the oil companies will cooperate on and provide the small dealers with information they can act on, one way or the other.

I urge that the Senate reject the amendment.

Mr. KENNEDY. Madam President, I yield myself 3 minutes.

The issue we are talking about here is one of the most basic and fundamental competitive issues involving the petroleum industry, and that is the question of downstream subsidy of various levels of the oil industry.

It is interesting that the major oil companies do not have as much difficulty in providing information to the Department of Energy as they do to other departments in our Government that are supposedly protecting the little guy, the Federal Trade Commission and the Antitrust Division, by promoting competition. It just seems to me, Madam President, that they are going to have to get that information in order to make an informed judgment on these matters. It is

imperative as a matter of public policy, and it is imperative that those agencies of the Government be able to obtain it. I would hope that we would make it easier on the smaller companies, and, when the information is provided to the Department of Energy, provide that it be shared with the other agencies of the Government.

Mr. BUMPERS. Madam President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from Massachusets has 2 minutes, and the Senator from New Hampshire has 3.

Mr. HANSEN. Madam President, if the Senator from Arkansas desires more time, I will be happy to yield some time on the bill.

Mr. BUMPERS. Well, I think the Senator from New Hampshire will yield me a minute or 2 to make just one concluding remark. There has been some mention about similar legislation on the coal conversion bill.

I would like to make two points. First, that was thrown out in the conference. It is not in the Conference report as the coal conversion bill.

Second, even the requirement of information which was in the original coal bill, before it was thrown out in conference, provided that only information which was gathered pursuant to the coal conversion bill would be shared.

Here the Senator from Massachusetts says any energy information that the Secretary acquires, collects, or holds shall be shared with all of these agencies.

I think his amendment is bad, but it would not be half as bad if he said any energy information collected pursuant to section 301. But this means any energy information collected pursuant to section 301. But this means any energy information that the Secretary gets pursuant to this bill or any other bill.

Mr. DURKIN. Will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. DURKIN. Why in God's name is this body so afraid of information? We are supposed to be the Board of Directors of America. It is one thing to have the lady with the scales across the way at the Supreme Court blindfolded but legislators are not supposed to be blindfolded. Why insist that we be blindfolded?

Mr. BUMPERS. The Justice Department has subpena powers. If they are sure that something is going on that is wrong among major oil companies, they can subpena the information. They do not have to request it. They do not have to ask for their cooperation. Here we do. We are not talking about how we get the information. We are talking about who we are going to share it with. We are going to share it with everybody. I would just as soon talk about it over the clothesline in the backyard. I say when we do that we will get no cooperation. That is what we are trying to do, get enough information. I believe there will be enough cooperation to get the information to determine whether or not the practice we are trying to cure here is going on.

The Congress has been answering questions that nobody asked for years and it has people upset. This is just a manifestation and exacerbation of it.

Mr. DURKIN. But the United States is faced with a national energy problem. The U.S. Congress does not have the information. The only person who has the information is the pipesmoking, birdwatching Secretary of Energy, and he will not release that information.

Mr. KENNEDY. The fact of the matter is, Mr. President, that the Senate accepted—we are not talking about what was dropped over there in the conference but what the Senate accepted—these words:

"Any energy information acquired, collected or held by the Department shall be subject to the requirement" making it available. It was not limited to coal.

The fact of the matter is, Mr. President, if we accept the argument of the Senator from Arkansas we would

assume that those major oil companies are just waiting to empty all of their information on the Congress of the United States or the Department of Justice and the Federal Trade Commission. On the one hand, Mr. President, this bill is saying, "We are going to protect the small independent man in the oil industry, with title I and title II and protect him from being squeezed out." That is why we have titles I and II. Then the Senator from Arkansas says those nice, benevolent oil and gas companies who are doing the squeezing will give us all the information we want.

It just does not make any sense, Mr President.

The Senator from New Hampshire understands it. The Senator from Massachusets understands it. Any trial attorney from the Justice Department or Federal Trade Commission who has spent day after day, month after month, year after year trying to get information understands it. Without this amendment we are going to continue business as usual on this particular issue.

Mr. President, I hope my amendment is agreed to. I yield whatever time I have remaining to the Senator from New Hampshire.

Mr. DURKIN. I was going to yield to the Senator a couple of minutes from the bill.

Mr. BUMPERS. Will the Senator yield 1 minute?

Mr. DURKIN. Yes.

Mr. BUMPERS. Just so no one is deceived by what we are talking about, from what the Senator from Massachusetts just said one would infer that if his amendment is adopted they could go into the oil companies and they would have to cough up the information. That is not the case. His amendment has nothing to do with what kind of energy information they will get. They will get no more information under his amendment than under mine. They will not have the right to get the information under subpena powers either way. The only thing the Kennedy amendment requires is the sharing of the information it

gets. It does not give the Secretary one iota of authority to get the information. It does not require the oil companies to divulge one iota of information they do not want to give. What we are talking about is who they will give it to after they get it. That is all the amendment goes to.

Mr. KENNEDY. If the Senator will yield, if we do not get it, it was the Senator's committee that wrote that statement, and if we do not get it we are just offering the best of what we can do with what came out of the Senator's committee. Section 11, which is the basis of this amendment, came out of the Senator's committee. That is the problem. We will certainly do better than the Bumpers amendment will.

Mr. BUMPERS. Mr. President, the Senator from Massachusetts is chairman of the Antitrust Subcommittee of the Senate Judiciary Committee and if he cannot get the Antitrust Subcommittee to get it for us, who will get it for us?

Mr. KENNEDY. I ask for the yeas and nays, Mr. President.

Mr. BUMPERS. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. (Mr. Hodges). Is there a sufficient second?

There is not a sufficient second.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is to agreeing to the motion of the Senator from Arkansas to lay the amendment of the Senator from Massachusetts on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Montana (Mr. PAUL G. HATFIELD), the Senator from Ohio (Mr. METZENBAUM), the Senator from Georgia (Mr. NUNN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Ohio (Mr. METZENBAUM).

If present and voting, the Senator from West Virginia would vote "yes" and the Senator from Ohio would vote "nay."

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "nay."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 55, nays 38, as follows:

[S 7156]

[Rollcall Vote No. 158 Leg.]

YEAS—55

Allen	Ford	Long
Baker	Garn	Lugar
Bartlett	Glenn	McClure
Bellmon	Goldwater	Morgan
Bentsen	Gravel	Pearson
Bumpers	Hansen	Percy
Burdick	Hatch	Roth
Byrd, Harry F., Jr.	Hatfield, Mark O.	Schmitt
Byrd, Robert C.	Hayakawa	Schweiker
Cannon	Heinz	Scott
Chafee	Helms	Stafford
Chiles	Hodges	Stennis
Church	Hollings	Stevens
Curtis	Huddleston	Talmadge
Danforth	Inouye	Thurmond
Dole	Jackson	Tower
Domenici	Javitz	Wallop
Eastland	Johnston	Weicker
		Young

NAYS—38

Abourezk	Haskell	Nelson
Bayh	Hathaway	Pell
Biden	Humphrey	Proxmire
Brooke	Kennedy	Ribicoff
Case	Leahy	Riegle
Clark	Magnuson	Sarbanes
Cranston	Mathias	Sasser
Culvar	Matsunaga	Sparkman
DeConcini	McGovern	Stevenson
Durkin	McIntyre	Stone
Eagleton	Melcher	Williams
Griffin	Moynihan	Zorinsky
Hart	Muskie	

NOT VOTING—7

Anderson	Laxalt	Packwood
Hatfield, Paul G.	Metzenbaum	Randolph
	Nunn	

So the motion to lay on the table was agreed to.

(The following subsequently occurred:)

Mr. METZENBAUM. Mr. President, I was unavoidably absent at the time the motion to table the Kennedy amendment was made. I was absent on official business. Had I been present I would have voted in opposition to the motion to table.

Mr. THURMOND. Mr. President, on the vote on the Kennedy amendment I am recorded as voting against tabling it. The vote should have been in favor of tabling it, and I ask unanimous consent that the vote be changed.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I shall not object—the Senator's vote would not change the outcome.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above tally has been corrected to reflect the above order.)

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (UP amendment No. 1307) was agreed to.

Mr. BUMPERS. Mr. President, are we ready to yield back the time?

Mr. DURKIN. Mr. President, I ask for a third reading.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STEVENS. Mr. President, I ask unanimous consent that Everett Wallace have the privilege of the floor. during the remainder of the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the imminent passage today of H.R. 130, the Petroleum Marketing Practices Act, is a victory for small businessmen engaged in the marketing of refined petroleum products. It is a tribute to the perserverance of these businessmen, who must deal day in and day out with some of the most powerful, and also the most insensitive, corporations in this country, the major oil companies. It is further a special tribute to the tireless efforts of the executive director of the National Congress of Petroleum Retailers, Charles Binsted, who has represented the branded independent gasoline dealers of this country with a dedication which is an example of public service for small businessmen everywhere. I am sorry that Charlie is unable to be here to see the Senate vote on his bill. My thoughts, and the thoughts of everyone who has dealt with him on this issue, are with him.

The victory today is an important one, but—and I know Charlie would agree—it is only a partial one.

Title I of H.R. 130 provides basic protection for the gasoline dealer against arbitrary termination of his franchise by his supplier. However, a bill which goes no further than franchise protection goes only half the distance we need to go. The predatory manipulation of prices by gasoline suppliers is a threat just as serious, if not more so, than the threat of franchise termination. This is why I have so strongly supported legislation which goes the full distance and includes by a title III addressing price discrimination by gasoline suppliers.

Everyone knows how this discrimination works. The incoming mail of my colleagues is packed with letters from gasoline dealers telling the story in the clearest possible way.

The key to the oil company strategy is the company-operated outlet. The volume sold through these outlets increased 69 percent between 1972 and 1976. These outlets are the tools with which the oil company competes with its own independent dealers, with which it enforces greater oil company control over the marketplace.

A supplier subsidizes the price of gasoline through his own direct retail outlets. Nearby dealers must lower their prices. At the same time the supplier demands a higher share of the profits of these independent dealers and insists that their sales volumes increase. Some dealers are driven out of business by the squeeze: their franchises are terminated voluntarily because the dealers are going bankrupt. The supplier takes these stations over.

The result? Greater supplier penetration into retail marketing, larger supplier profits from sales to the remaining independent dealers, and a weakened independent retail sector. What we are seeing in this scenario is the beginning of the end of competition in gasoline marketing. Title I of H.R. 130 provides no defense against these tactics by suppliers.

The strength of competition in the sale of gasoline has and always will depend on the strength of the sector composed of branded and nonbranded independent marketers. These small independent businessmen function in the face of vigorous competition, and the consumer benefits. If this sector is lost or even substantially weakened, competition will suffer and the consumer will be the loser.

This simple fact ought to be evident to everyone. Yet we have heard and seen introduced into the record during the debate on H.R. 130 a highly curious analysis of the gasoline market that comes to just the opposite conclusion. This view has been put forward by self-proclaimed

defenders of competition and misguided defenders of the consumer who are in an alliance with the major oil companies to emasculate any provision of the bill aimed at prohibiting price discrimination by gasoline suppliers. In doing this, these people are doing the work of the oil companies, a group of corporations with less interest in the consumer and less interest in competition than almost any I can think of. In permitting the continuation, indeed, the spread of predatory oil company pricing policies these people are, in fact, initialing the death certificate of competition in the gasoline market. Somehow it is imagined that, even if thousands of branded and nonbranded independent marketers, unprotected by H.R. 130, are driven out of business over the coming years by these price manipulations, a competitive market for consumers will remain. Nothing could be more foolish.

No amount of investigation by the antitrust agencies or congressional hearings into the relationship between the OPEC cartel and the international oil companies is going to help this sector once it has been destroyed. And I am one who thinks that this interminable theorizing is perfectly useless in preventing the deterioration of competition.

I favor the enactment of effective measures to preserve the competitiveness of the gasoline market. We have to go the second mile and address the pricing power of the oil companies. If that can not be accomplished today, it must be accomplished soon in the next Congress. If not, our competitive retail gasoline market is in severe danger.

* * * * *

[Inserted remarks of Senator Culver are omitted.]

[S 7157]

Mr. DURKIN. Mr. President, I ask for the yeas and nays on passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. DURKIN. All time has been yielded back.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, this is the last rollcall vote of the day.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate this is the last rollcall for today.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. HATFIELD) and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea".

Mr. STEVENS. I announce that the

[S 7158]

Senator from California (Mr. HAYAKAWA), the Senator from Nevada, (Mr. LAXALT), and the Senator from Oregon (Mr. PACKWOOD), are necessarily absent.

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—95

Abourezk	Glenn	Morgan
Allen	Goldwater	Moynihan
Anderson	Gravel	Muskie
Baker	Griffin	Nelson
Bartlett	Hansen	Nunn
Bayh	Hart	Pearson
Bellmon	Haskell	Pell
Bentsen	Hatch	Percy
Biden	Hatfield, Mark O.	Proxmire
Brooke	Hathaway	Ribicoff
Bumpers	Heinz	Riegle
Burdick	Helms	Roth
Byrd, Harry F., Jr.	Hodges	Sarbanes
Byrd, Robert C.	Hollings	Sasser
Cannon	Huddleston	Schmitt
Case	Humphrey	Schweiker
Chafee	Inouye	Scott
Chiles	Jackson	Sparkman
Church	Javits	Stafford
Clark	Johnston	Stennis
Cranston	Kennedy	Stevens
Culver	Leahy	Stevenson
Curtis	Long	Stone
Danforth	Lugar	Talmadge
DeConcini	Magnuson	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Wallop
Durkin	McClure	Weicker
Eagleton	McGovern	Williams
Eastland	McIntyre	Young
Ford	Melcher	Zorinsky
Garn	Metzenbaum	

NAYS—0

NOT VOTING—5

Hatfield, Paul G.	Hayakawa	Packwood
	Laxalt	Randolph

So the bill (H.R. 130), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DURKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURKIN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendents to H.R. 130, and that S. 743 be indefinitely postponed.

The PRESIDING OFFICER (Mr. DECONCINI). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished managers of this bill, the Senator from New Hampshire, Mr. DURKIN, and the Senator from Wyoming, Mr. HANSEN, for their splendid handling of the Dealers Day in Court bill. The subject of protection of independent gasoline dealers from arbitrary cancellation by their oil company lessors has been debated and discussed for a long period of time in this body. I think the overwhelming vote by which this bill has passed the Senate attests to the splendid work of the managers of the bill, as well as of the distinguished chairman of the Energy Committee (Mr. JACKSON).

I think it is well to also remember the yeoman work of two of our former colleagues, Senator Philip Hart of Michigan and Senator Frank Moss of Utah, in the area of protection of franchised gasoline dealers. Their early efforts in this regard, I am sure, contributed to the approval of the bill by this body today.

APPENDIX J

HOUSE DEBATE ON TITLE III OF THE PETROLEUM MARKETING PRACTICES ACT

[124 Cong. Rec. H 4996 - 5003 (Daily ed., June 6, 1978).]

[H 4996]

MARKETING PRACTICES ACT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 130) to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of autmotive gasoline be disclosed to consumers, with a Senate amendment thereto, and concur in the Senate amendment.

* * * * *

[Text of Petroleum Marketing Practices Act as enacted is omitted.]

[H 5001]

Mr. DINGELL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the Senate amendment, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Speaker, I do not reserve the right to object to this request but I reserve the right to object to the taking up of the legislation. I shall not object but I want to protect my right to ask questions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan to dispense with further reading?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I have no objection to the consideration of this legislation. It is a piece of legislation on which the Senate and House have come to general agreement. It is part of a package understanding that the members of the Energy and Power Subcommittee, both the majority and minority, have come to with the administration that relates to an administrative action of the administration in regard to pricing of and allocation of motor gasoline.

The proposal for the removal of price and allocation controls from motor gasoline will be submitted to the House, I believe, later today or tomorrow. Prior to that submission the gentleman from Michigan and I wanted to be sure that the so-called dealer-day-in-court legislation, which is what we now have under consideration, can be passed by both bodies and signed by the President and become law, so that the distributors, the individual service station operators are protected by certain rights extended to them in this legislation, rights which I think all Members of the House fully understand because we passed the legislation under suspension last April. Therefore I will not go into the extensive details of the legislation but would like to ask the gentleman from Michigan to please explain the changes in the House bill that the amendment he is offering by unanimous consent makes.

Mr. DINGELL. Mr. Speaker, will my good friend, the gentleman from Ohio yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to begin by commending my friend, the gentleman from Ohio, for the gentlemanly way in which he has assisted me in working on this particular piece of legislation and I wish to have his help known to my colleagues.

Mr. Speaker, the Senate adopted a number of amendments of a technical nature to title I of H.R. 130. The Senate adopted a procedural amendment to title II of H.R. 130. And the Senate adopted a new title, title III, dealing with competition and economic issues relating to gasoline marketing.

With respect to title I, the Senate expanded the coverage of the title to include marketers which have lost their brand or trademark licenses but have continued to receive motor fuel supplies through a continuation of supply agreements with their historical suppliers under allocation controls. The effect of this amendment is merely to permit supply agreements which, despite a subsequent withdrawal of a trademark, have existed continuously since May 15, 1973, to be treated as franchises for purposes of title I.

A second amendment to title I addresses a problem related to the term "distributor." The House bill could have required distinguishing a consignee's accounts from those of his supplier. As a result, a consignee might have been treated as a distributor with respect to some accounts but not with respect to others. Rather than attempting to delineate a means for making this determination, the Senate amendment treats a consignee as a distributor regardless of whether the account is that of the consignee or of his supplier. However the Senate amendment includes a provision paralleling language contained in the House report. This provision excludes from the definition of distributor employees of a supplier as well as persons who merely provide transportation services for the supplier. Therefore, the Senate amendment retains

the distinction that independent entrepreneurs are to be treated as distributors while employees of a supplier and common carriers are not.

Another Senate amendment addresses the question of contracts which do not reflect the actual gallonage which a franchisor has been supplying to the

[H 5002]

franchisee. For a number of reasons, in many cases, contracts have not been revised to reflect actual volumes. The Senate amendment assures that the supply protection of title I is based upon actual volumes supplied under the established pattern of business rather than on gallonage specified in contracts which no longer reflect the supply practices of the parties. It is my understanding that this amendment is not intended to substitute for clear and explicit supply terms in recent contracts where those terms are intended by the parties to govern their relationship. The amendment permits the franchisor or franchisee to introduce evidence of past delivery levels. This evidence would raise a rebuttal presumption that an agreement exists to deliver the same monthly gallonage of motor fuel that the franchisor sold to the franchisee during the corresponding months of the previous year.

Another Senate amendment to title I deals with the vulnerability of rural States to market withdrawals by major suppliers of motor fuels. The Senate amendment addresses this matter by affording the governors of affected States advance notice of a franchisor's plans to withdraw from the marketing of motor fuel through retail outlets in a relevant market area.

With respect to title II of H.R. 130, a floor amendment was adopted making the environmental protection agency directly responsible for the field testing of the octane rating of automobile gasoline. The House bill provided a similar testing program; however, the Senate amend-

ment clarifies the responsibilities of the EPA and improves the coordination of the EPA's actions with the responsibilities of the FTC under this title.

Title III of the Senate amendment is a new title. The introduced bill contained a title III which dealt with the issue of subsidization of marketing by refiners and other suppliers with profits derived from crude oil production, refining operations, or other marketing activities. This title raised significant questions relating to market structure, competition, and consumer protection. The title was therefore deleted prior to consideration of H.R. 130 by the full House. After lengthy debate of this issue, the Senate followed the lead of the House by not adopting any legislative requirements dealing with this matter. Instead, the Senate approved a study of petroleum marketing subsidization issue. This study is intended to focus on market subsidization by both refiners and other marketers and will explore questions relating to market structure, competition, and consumer cost. The Secretary of the Department of Energy is required to consult both the chairman of the FTC and Attorney General in the preparation of this study. Title III does not authorize regulatory action to be taken dealing with these subsidization questions without further action of both Houses of Congress through future legislative action.

I thank the gentleman for yielding.

Mr. BROWN of Ohio. Mr. Speaker, further reserving the right to object, let me ask just two or three other questions. The amendment offered by the unanimous consent request of the gentleman to title I, the same substance as the amendment to title I added to the legislation by the other body, makes an addition to the House bill definition of "contract." This additional language states that delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels in subsequent years. Is it the gentleman's understanding that the additional language

only applies to contracts which do not reflect the actual gallonages which the franchiser is supplying the franchisee?

Mr. DINGELL. Will the gentleman from Ohio yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman.

Mr. DINGELL. The answer to the question is yes.

Mr. BROWN of Ohio. The amendment offered by the unanimous consent request of the gentleman adds a new title III, the same substance as the title III added to the legislation by the other body, to provide for a study of subsidization of motor fuel marketing. Is it the understanding of the gentleman that this study shall be comprehensive in nature and shall extend to the total market so that not only refiner-marketers are examined as to the extent that they subsidize sales of motor fuel, but also that wholesaler-jobbers who supply more than one outlet are studied to determine the extent to which they subsidize sales of motor fuel.

Mr. DINGELL. Will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. DINGELL. I wish to agree with the gentleman, again making it clear, however, that these Senate amendments, in which the House is being called upon to concur, did not originate with the gentleman from Michigan.

Mr. BROWN of Ohio. However, the gentleman is offering them at this point for consideration by the House.

Mr. DINGELL. I do that. The answer to the question, however, again is yes.

Mr. BROWN of Ohio. Is it also the understanding of the gentleman that the study previously referred to should examine the extent to which present pricing practices of refiners and wholesalers of motor gasoline may in fact be resulting in lower prices of motor fuel to ultimate consumers?

Mr. DINGELL. Will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

The answer to the question is again yes.

Mr. BROWN of Ohio. Finally, let me say to the gentleman from Michigan and the gentleman from West Virginia that I met yesterday at some length with officials of the Department of Energy, including Mr. John O'Leary, who have advised me that it is the plan of the Department of Energy to use the existing EIA P-302 and 306 forms by which they gather information from refineries, plus revised Bureau of Labor Statistics and Census surveys, in order to give them sufficient information regarding supply and price and market distribution to meet the minimum statutory requirements of the legislation under consideration at this point. This will also apparently be adequate to meet the obligations of the Department of Energy imposed in the environmental impact assessments, I have been advised. It is my understanding, therefore, that they will not require extensive or burdensome reporting by individual service station operators marketing gasoline products when DOE can get that information with a great deal less red tape, a great deal less paperwork, and a great deal less burden on the entire marketing system, by getting it from the refiners.

Mr. DINGELL. Will the gentleman from Ohio yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. We have gone into the question of the decontrol proposal which will be shortly before the House and which we anticipate will be submitted by the Department of Energy with regard to motor vehicle gasoline. It is the understanding of the gentleman from Michigan that gasoline decontrol will not propose extensive new monitoring action by the Department of Energy which

would impose burdens upon industry, nor will it contain a price trigger for the reimposition of controls.

Mr. BROWN of Ohio. That is also my understanding.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding.

I want to congratulate the gentleman from Ohio and the gentleman from Michigan (Mr. DINGELL) for the good work they have done in bringing this bill to the floor today and urge passage of it, with no one objecting to it because the bill represents a long overdue action that should have been taken by this Congress long ago to protect the independent retailers at the marketplace who deal with this subject when they go to get gasoline from the suppliers.

They just take away their supply arbitrarily and just say they are not dealing with them any more. This protects thousands of those, perhaps hundreds of thousands of those across America and also protects the motorists from increasing competition with the independent dealers there and also helps reduce costs; so I want to compliment the gentleman from Ohio and the gentleman from Michigan for working this out with the Senate and hope it passes the House. It is long overdue.

Mr. BROWN of Ohio. Mr. Speaker, finally, let me compliment the gentleman from West Virginia, who made this legislation possible. The gentleman always adds to the interest of our Nation in the conduct of that committee and

[H 5002]

also in the conduct of this legislation. This is a prime example.

Mr. Speaker, let me add my commendation to the chairmanship of the gentleman from Michigan (Mr. DINGELL),

with whom it is my pleasure to work. We do not always craft perfect legislation, but in this case we have come very close under the gentleman's leadership, with a certain contribution of the gentleman from Ohio who occasionally gets the gentleman from Michigan to agree with some of my viewpoints.

Mr. DINGELL. Mr. Speaker, will the gentleman from Ohio yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I wish to commend my friend. The gentleman from Ohio has been a valuable player in this small drama. The gentleman's contribution is great and I wish to have the House and the gentleman's constituents know what the gentleman did in getting this through in the form in which it is. I commend the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman, and for fear someone will want to call for a quorum to hear these remarks that are being exchanged between the gentleman from Michigan, the gentleman from West Virginia, and myself, I think I had better withdraw my objection so we can get the legislation passed and go on to other business.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the first request of the gentleman from Michigan?

There was no objection.

A motion to reconsider was laid on the table.

APPENDIX K

STATUTES AND REGULATIONS INVOLVED

1. Section 301 of the Petroleum Marketing Practices Act ("PMPA"), Pub. L. No. 95-297, 92 Stat. 337, 15 U.S.C. § 2841, provides:

> SEC. 301. (a) The Secretary of Energy, in consultation with the Chairman of the Federal Trade Commission and the Attorney General and other agencies as the Secretary deems appropriate, shall conduct a study of the extent to which producers, refiners, and other suppliers of motor fuel subsidize the sale of such motor fuel at retail or wholesale with profits obtained from other operations.
>
> (b) Such study shall examine—
>
> (1) the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail;
>
> (2) the extent to which such subsidization is predatory and presents a threat to competition;
>
> (3) the profitability of various segments of the petroleum industry;
>
> (4) the impact of prohibiting such subsidization on the competitive viability of various segments of the petroleum industry, on prices of motor fuel to consumers and on the health and structure of the petroleum industry as a whole; and
>
> (5) such other matters as the Secretary considers appropriate.
>
> (c) In conducting the study required by this section, the Secretary shall give appropriate notice and afford interested persons an opportunity to present written and oral data, views and arguments concerning such study.

(d) (1) The Secretary shall report the results of the study required by this section, together with such recommendations for legislative action and such statistical evidence as he deems appropriate to the Congress on or before the expiration of the eighteenth month after the date of enactment of this section.

(2) If the President determines that interim measures are necessary and appropriate to maintain the competitive viability of the marketing sector of the petroleum industry during Congressional consideration of the recommendations contained in the report submitted under paragraph (1), he shall prescribe, by rule, in accordance with the procedures set forth in section 523(a) of the Energy Policy and Conservation Act (42 U.S.C. 6393) such interim measures.

(3) No interim measure proposed by the President under this section may be submitted after January 1, 1980, and the effect of such measure if approved by the Congress under paragraph (4) may not extend beyond 18 months after such Congressional approval.

(4) Such interim measure shall not take effect unless approved by both Houses of Congress as if it were a contingency plan under section 552 of the Energy Policy and Conservation Act (42 U.S.C. 6422): *Provided*, That the 60-day period referred to in such section shall be extended to 90 days for purposes of this section.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

2. Section 203 of PMPA, 92 Stat. 335, 15 U.S.C. § 2823, provides in pertinent part:

(a) The Federal Trade Commission shall have procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements of this

title and rules prescribed pursuant to the requirements of this title, to further define terms used in this title, and to require the filing of reports, the production of documents, and the appearance of witnesses, as though the applicable terms and conditions of the Federal Trade Commission Act were part of this title.

* * * * *

(e) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate subsection (a), (b), (c), or (e) of section 202, or a rule prescribed under subsection (d) of such section. For purposes of the Federal Trade Commission Act (including any remedy or penalty applicable to any violation thereof) such a violation shall be treated as a violation of a rule under such Act respecting unfair or deceptive acts or practices; except that for purposes of section 5(m)(1)(A) of such Act, the term "or knowledge fairly implied on the basis of objective circumstances" shall not apply to any violation by any gasoline retailer of the requirements of section 202(c) or (e).

3. Section 645 of the Department of Energy Organization Act, Pub. L. No. 95-91, 91 Stat. 599, as amended, 42 U.S.C. § 7255, provides:

For the purpose of carrying out the provisions of this Act, the Secretary, or his duly authorized agent or agents, shall have the same powers and authorities as the Federal Trade Commission under section 9 of the Federal Trade Commission Act with respect to all functions vested in, or transferred or delegated to, the Secretary or such agents by this Act. For purposes of carrying out its responsibilities under the Natural Gas Policy Act of 1978, the Com-

mission shall have the same powers and authority as the Secretary has under this section.

4. 10 C.F.R. § 205.8 provided, at the time the subpoena in this case was issued:

> (a) The Administrator of the FEA, his duly authorized agent, the FEA General Counsel, or the agency official designated to conduct a hearing or public hearing convened in accordance with Subpart M of this part may sign and issue subpoenas either on his own initiative or, upon an adequate showing that the information sought will materially advance the proceeding, upon the request of any person participating in that proceeding.
>
> (b) A subpoena may require the attendance of a witness, or the production of documentary or other tangible evidence in the possession or under the control of the person served, or both.
>
> (c) A subpoena may be served personally by any person who is not an interested person and is not less than 18 years of age, or by certified or registered mail.
>
> (d) Service of a subpoena under the person named therein shall be made by delivering a copy of the subpoena to such person and by tendering the fees for one day's attendance and mileage as specified by paragraph (f) of this section. When a subpoena is issued at the instance of any officer or agency of the United States, fees and mileage need not be tendered at the time of service. Delivery of a copy of a subpoena and tender of the fees to a natural person may be made by handing them to the person, leaving them at his office with the person in charge thereof, leaving them at his dwelling place or usual place of abode with some person of suitable age and discretion then residing therein, by mailing them by

registered or certified mail to him at his last known address, or by any method whereby actual notice is given to him and the fees are made available prior to the return date. When the person to be served is not a natural person, delivery of a copy of the subpoena and tender of the fees may be effected by handing them to a registered agent for service, or to any officer, director, or agent in charge of any office of such person, or by mailing them by registered or certified mail to such representative at his last known address or by any method whereby actual notice is given to such representative and the fees are made available prior to the return date. If any person is an entity with offices and operations in more than one jurisdiction, such person may designate one address to which any subpoena may be served by filing such designation with the General Counsel at the address specified in § 205.12.

(e) The original subpoena bearing a certificate of service shall be filed with the FEA office with the responsibility for the proceeding in connection with which the subpoena was issued.

(f) A witness subpoenaed by the FEA shall be paid the same fees and mileage as would be paid to a witness in a proceeding in the district courts of the United States. The witness fees and mileage shall be paid by the person at whose instance the subpoena was issued.

(g) Notwithstanding the provisions of paragraph (f) of this section, and upon request, the witness fees and mileage shall be paid by the FEA when it is shown that:

(1) The presence of the subpoenaed witness will materially advance the proceeding; and

(2) The person at whose instance the subpoena was issued would suffer a serious hardship if required to pay the witness fees and mileage.

The designated FEA official issuing the subpoena shall make the determination required by this paragraph.

(h) (1) Any person to whom a subpoena is directed may, prior to the time specified therein for compliance, but in no event more than ten (10) days after the date of service such subpoena, apply to quash or modify such subpoenas to the FEA official who issued the subpoena, who may (i) deny the application; (ii) quash or modify the subpoena; or (iii) condition denial of the application to quash or modify the subpoena upon the satisfaction of certain just and reasonable requirements. A denial of an application must contain a statement of facts and conclusions of law.

(2) Within 10 days after the day of service of any adverse decision on an application to quash or modify a subpoena, an applicant may seek review of that decision from the Regional Administrator for the region which issued the subpoena, or the Assistant Administrator or Director of the office which issued the subpoena in the case of subpoenas issued by the National Office. The relief requested may include a request for a stay of the obligation to comply with the subpoena, for good cause shown, pending a determination by the Regional Administrator or Assistant Administrator or Director of the office which issued the subpoena. The Regional Administrator or other reviewing official will evaluate the application and render a determination. A denial of an application must contain a statement of facts and conclusions of law.

(3) If the Regional Administrator or other reviewing official fails to take action on an application for review within 20 days of filing, the application for review will be deemed to have been denied in all respects as of 12:01 a.m. on the day following the 20th day.

(4) Any person to whom a subpoena is directed, in the event that an application to quash or modify such subpoena is in any part denied by a Regional Administrator or other reviewing official, may, within ten (10) days after the date of service of such denial, seek relief from the Office of Private Grievances and Redress, at the address provided in § 205.12, only upon a showing that the circumstances are so exceptional that an immediate review is warranted to correct substantial errors of law, or to prevent substantial injury to legal rights, or to cure a gross abuse of administrative discretion. The relief requested may include a request for a stay of the obligation to comply with the subpoena, for good cause shown, pending a determination by the Office of Private Grievances and Redress.

(5) Return on any subpoena issued by FEA pursuant to § 205.8 is temporarily stayed pending timely application for and during administrative review by FEA as specified in § 205.8(h)(1).

(i) If there is a refusal to obey a subpoena served upon any person under the provisions of this section, the FEA may request the Attorney General to seek the aid of the District Court of the United States for any district in which such person is found to compel such person after notice, to appear and give testimony, or to appear and produce the subpoenaed documents before the agency or both.

5. Section 552 of the Administration Procedure Act, 80 Stat. 383, 81 Stat. 54, 88 Stat. 1561-1564, 5 U.S.C. § 552, provides in pertinent part:

> § 552. *Public information; agency rules, opinions, orders, records, and proceedings*
>
> (a) Each agency shall make available to the public information as follows:
>
> (1) Each agency shall separately state and currently publish in the Federal Register for the guidance of the public—
>
> * * * * *
>
> (B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;
>
> (C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;
>
> (D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and
>
> (E) each amendment, revision, or repeal of the foregoing.
>
> Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published. For the purpose of this paragraph, matter reason-

ably available to the class of persons affected thereby is deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

6. Section 555 of the Administration Procedure Act, 80 Stat. 585, 5 U.S.C. § 555, provides in pertinent part:

§ 555. *Ancillary matters*

* * * * *

(b) * * * So far as the orderly conduct of public business permits, an interested person may appear before an agency or its responsible employees for the presentation, adjustment, or determination of an issue, request, or controversy in a proceeding, whether interlocutory, summary, or otherwise, or in connection with an agency function. With due regard for the convenience and necessity of the parties or their representatives and within a reasonable time, each agency shall proceed to conclude a matter presented to it.

* * * * *

(e) Prompt notice shall be given of the denial in whole or in part of a written application, petition, or other request of an interested person made in connection with any agency proceeding. Except in affirming a prior denial or when the denial is self-explanatory, the notice shall be accompanied by a brief statement of the grounds for denial.

APPENDIX L

DELEGATION ORDERS

1. DEPARTMENT OF ENERGY

DELEGATION ORDER NO. 0204-3

TO THE ADMINISTRATOR OF THE ENERGY INFORMATION ADMINISTRATION

Pursuant to the authority vested in me as Secretary of Energy and by Section 642 of the Department of Energy Organization Act (Public Law 95-91) (the "DOE Act"), there is hereby delegated on a nonexclusive basis to the Administrator ("Administrator") of the Energy Information Administration ("EIA") of the Department of Energy ("DOE") all functions vested in me by law as the Secretary of Energy ("Secretary") relating to the gathering, analysis, and dissemination of energy information (as defined in Section 11 of the Energy Supply and Environmental Coordination Act of 1974, Public Law 93-319), and the Administrator may act in the name of the Secretary for the purpose of obtaining enforcement of such delegated functions.

The authority delegated to the Administrator of EIA by this Order may be further delegated, in whole or in part, as may be appropriate.

In exercising the authority delegated by this Order or as redelegated pursuant thereto, the delegate(s) shall be governed by the rules and regulations of DOE and the policies and procedures prescribed by the Secretary or his delegate.

All actions pursuant to any authority delegated prior to this Order or pursuant to any authority delegated by this Order taken prior to and in effect on the date of this

Order are hereby confirmed and ratified, and shall remain in full force and effect as if taken under this Order, unless or until rescinded, amended or superseded.

This Order is effective October 1, 1977.

/s/ James R. Schlesinger
JAMES R. SCHLESINGER
Secretary of Energy

2. DEPARTMENT OF ENERGY

ENERGY INFORMATION ADMINISTRATION DELEGATION ORDER NO. 5

TO THE DIRECTOR OF THE OFFICE OF COMPETITION, OFFICE OF POLICY AND EVALUATION

Pursuant to the authority vested in me as Administrator of the Energy Information Administration ("Administrator") by Section 205 of the Department of Energy Organization Act (Public Law 95-91) and by Department of Energy Delegation Order No. 0204-3, there is hereby delegated to the Director of the Office of Competition, Office of Policy and Evaluation ("Director"), such authority vested in me to sign and issue subpoenas as the Director considers necessary to enable him to conduct the study required by Title III of the Petroleum Marketing Practices Act, Public Law 95-297, and, in this regard, to obtain information to permit fully informed policy guidance with respect to competitive conditions in the petroleum industry. The Director may act in the names of the Secretary of Energy and the Administrator for the purpose of obtaining enforcement of said delegated authority.

The authority delegated by this Order may not be further delegated.

In exercising the authority delegated by this Order the delegate shall be governed by the rules and regulations of the Department of Energy and the policies and procedures prescribed by the Secretary or his delegate.

All actions pursuant to any authority delegated prior to this Order or pursuant to any authority delegated by this Order taken prior to and in effect on the date of this Order are hereby confirmed and ratified, and shall

remain in full force and effect as if taken under this Order, unless or until rescinded, amended or superseded.

This Order is effective Jan. 20, 1979.

/s/ Lincoln E. Moses
LINCOLN E. MOSES
Administrator
Energy I..formation Administration